FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-96-096
Thursday
16 May 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-96-096 *16 May 1996*

CONTENTS

INTERNATIONAL AFFAIRS

International Affairs: Banana Agreement Reached in Quito *[Madrid EFE]* 1

INTER-AMERICAN AFFAIRS

Inter-American Affairs: Ecuador-Peru Guarantors Meet *[Madrid EFE]* 2

CARIBBEAN

Cuba

Cuba: Envoy to Russia on Primakov Visit, Ties *[NOTIMEX]* 3
Cuba: Russian Minister Visits Latin America, Seeks Ties *[PRENSA LATINA]* 4
Cuba: PRC Deputy Foreign Affairs Minister Ends 3-Day Visit *[Havana Radio]* 4
Cuba: Libyan Secretary Concludes Official Visit to Cuba *[Havana TV]* 5
Cuba: UNEAC President on Politburo Report, EU Reaction *[Havana Radio]* 5
Cuba: Lage Discusses Plans for Rice Harvest *[Havana Radio]* 6
Cuba: Villa Clara Province Surpasses Production Goal *[Havana TV]* 6
Cuba: Santiago de Cuba Improves Water Distribution Network *[Havana Radio]* 6
Cuba: Yuri Gagarin Military Enterprise Expands Production *[Havana Radio]* 7
Cuba: Western Army Chief Inspects Units on Isla de Pinos *[Havana Radio]* 7
Cuba: Broadcast Frequencies Assignments to Cuba Denounced *[Havana Radio]* 7
Cuba: Lage Attends Meeting on Combating Cattle Theft *[Havana Radio]* 7
Cuba: Commentary on Tourism, Warning About Efficiency *[Havana Radio]* 8
Cuba: Cuban 'Bureaucrats,' 'Technocrats' Criticized *[Havana Radio]* 9
Cuba: Editorial Stresses Importance of Efficiency *[Havana Radio]* 9

Haiti

Haiti: Chinese Delegation Urges Diplomatic Relations *[Port-au-Prince Radio]* 10
Haiti: Air Link With Santiago de Cuba Inaugurated *[Port-au-Prince Radio]* 10
Haiti: Preval To Visit Jamaica 15 May *[Port-au-Prince Radio]* 10
Haiti: Citizens Battle Police in Carrefour Area *[Port-au-Prince Radio]* 11
Haiti: Assembly President Criticizes Absenteeism *[Haiti Online]* 11

MEXICO

Mexico: Concern About U.S. Maneuvers in Darien *[LA JORNADA 12 May]* 12
Mexico: Government Pleased With EU Decision To Negotiate *[NOTIMEX]* 12
Mexico: Canadian Labor Minister Comments Upon Arrival *[Mexico City TV]* 13
Mexico: Gurria on Cooperation With European Union *[Mexico City TV]* 13
Mexico: Industrial Policy, Foreign Trade Program Examined *[REFORMA 8 May]* 15

Mexico: Commerce Predicts 5-Percent Growth, New Jobs *[LA JORNADA 10 May]* 16

CENTRAL AMERICA

El Salvador

El Salvador: FMLN Against Debt Pardon, Privatization Bill *[CO LATINO 10 May]* 18

Nicaragua

Nicaragua: VP Candidate Says FSLN 'Honors Its Obligations' *[BARRRICADA 14 May]* 18

Panama

Panama: ARI Administrator on Plans for Reverted Areas *[EL UNIVERSAL DE PANAMA 12 May]* 18
Panama: ARI To Purchase Processing Zone Company *[LA PRENSA 9 May]* 19
Panama: Minister Rejects Allegations of Recession *[EL UNIVERSAL DE PANAMA 13 May]* . 20
Panama: Measures To Stop Drug Traffickers' Airport Use *[LA ESTRELLA DE PANAMA 14 May]* 20

SOUTH AMERICA

Argentina

Argentina: 'Formal Complaint' Lodged With Brazil on Trade *[CLARIN 14 May]* 22
Argentina: Peru 'Trusts' Arms Deal Investigations *[TELAM]* 22
Argentina: Camilion Denies Knowing of Arms 'Crime' *[NOTICIAS ARGENTINAS]* 23
Argentina: Camilion on Arms Fails To Satisfy Opposition *[NOTICIAS ARGENTINAS]* 23
Argentina: Camilion Says 'Rot Will Be Stopped' in Arms Case *[NOTICIAS ARGENTINAS]* . 24

Bolivia

Bolivia: Politicians Said To Ask For Military 'Declarations' *[Madrid EFE]* 25

Brazil

Brazil: Mercosur Ouro Preto Protocol Goes Into Effect *[GAZETA MERCANTIL 13 May]* 25
Brazil: Government To Identify Foreign Trade Barriers *[Brasilia Radio]* 26
Brazil: Senate Committee Approves Bill on Sivam Financing *[AGENCIA ESTADO]* 26
Brazil: Pro-Government Senators Defeat Human Rights Bill *[JORNAL DO BRASIL 10 May]* . 26
Brazil: Agreement Reached on Cellular Phone Service Bill *[AGENCIA ESTADO]* 27
Brazil: Permit for Uranium Mining Seen by End of Year *[AGENCIA ESTADO]* 28
Brazil: Reaction Muted to Social Security Reform Ruling *[GAZETA MERCANTIL 10 May]* .. 28
Brazil: Government Lists Priority Bills for Congress *[GAZETA MERCANTIL 10 May]* 29

Colombia

Colombia: Committee Chairman's Draft Ruling Exonerates Samper *[EL TIEMPO 15 May]* ... 29
Colombia: Serpa Says Committee Pressured To Condemn Samper *[Madrid EFE]* 30
Colombia: Chamber Said Pressured on Vote Against Samper *[Santa Fe de Bogota Radio]* 31
Colombia: President Samper Defends Accused Ministers *[Santa Fe de Bogota Radio]* 31
Colombia: Samper Statements on Ministers Said 'Irresponsible' *[Santa Fe de Bogota Radio]* . 33
Colombia: Interior Minister Serpa To Be Held Without Bail *[Santa Fe de Bogota TV]* 34
Colombia: Samper Condemns 'Unilateral Measures' at NAM Summit *[Santa Fe de Bogota Radio]* 34
Colombia: Liberal Party Official Calls For Samper's Resignation *[Santa Fe de Bogota TV]* ... 34

Colombia: Samper Replies to Businessmen Urging Resignation *[Santa Fe de Bogota Radio]* . 35
Colombia: Police, Military Leaders Comment on Public Order *[Santa Fe de Bogota Radio]* ... 35
Colombia: New Measures for State of Internal Disturbance *[Santa Fe de Bogota Radio]* 36
Colombia: Special Zones Under Military Control Established *[EL TIEMPO 14 May]* 36
Colombia: Ex-President Gaviria on Brother's Release *[Santa Fe de Bogota Radio]* 37
Colombia: Gaviria Kidnappers Release Two Communiques *[Santa Fe de Bogota TV]* 38
Colombia: Uraba Patriotic Union Leader Killed in Medellin *[Santa Fe de Bogota TV]* 38
Colombia: Military Involvement in Gomez Hurtado Murder Denied *[Santa Fe de Bogota Radio]* 38
Colombia: Councilwoman Implicates Military in Attack *[EL TIEMPO 8 May]* 39
Colombia: Bateman Cayon Group Releases Journalist *[Santa Fe de Bogota TV]* 39
Colombia: Liberal Party Ethics Council Suspends 36 Senators *[EL COLOMBIANO 9 May]* ... 40
Colombia: Government Appoints New National Drug Director *[EL TIEMPO 8 May]* 40
Colombia: Marketing of Gasoline, Gray Cement Restricted *[EL ESPECTADOR 11 May]* 40
Colombia: Mining Region Declared Special Public Order Zone *[EL TIEMPO 12 May]* 41
Colombia: Samper Receives Low Ratings in Opinion Poll *[Santa Fe de Bogota TV]* 42

Ecuador

Ecuador: Candidates Agree on Seeking Peace With Peru *[Madrid EFE]* 43
Ecuador: 14 OAS Observers To Supervise 19 May Elections *[Madrid EFE]* 44
Ecuador: Economic Achievements, Social Costs Viewed *[Madrid EFE]* 44
Ecuador: HOY Urges More Specific Programs From Candidates *[HOY 7 May]* 45
Ecuador: Former Allies Said To Cause Political 'Damage' *[HOY 9 May]* 46
Ecuador: 'Civic Maturity' of Electorate Noted *[HOY 9 May]* 46
Ecuador: Integrity of Electoral Board Questioned *[HOY 30 Apr]* 46
Ecuador: Arms 'Scandal' Said 'Smoke Screen' for Peru *[HOY 8 May]* 47
Ecuador: Indigenous Groups Split on Ehlers *[HOY 7 May]* 47
Ecuador: Uncertainty of First Round Outcome Noted *[HOY 8 May]* 48
Ecuador: Costs of Election Rounds Noted *[HOY 5 May]* 49
Ecuador: Election Notes 5 May *[HOY 5 May]* 49
Ecuador: Choice of Experienced Candidates Urged *[HOY 13 May]* 51
Ecuador: Nebot Seen as Most Able Candidate *[HOY 13 May]* 52
Ecuador: Election Notes 14 May *[HOY 14 May]* 53
Ecuador: Election Returns Commo System Detailed *[HOY 14 May]* 54
Ecuador: Nonviolent Campaign Called 'Step Forward' *[EL COMERCIO 13 May]* 55

Paraguay

Paraguay: Commentary on Trade Barriers Within Mercosur *[NOTICIAS 11 May]* 55
Paraguay: Wasmosy Criticizes Congress at Meeting With Military *[ABC COLOR 14 May]* 56
Paraguay: Military Chiefs Seek Rapprochement With Civilians *[NOTICIAS 14 May]* 56

Peru

Peru: MOMEP Says Situation at Border Region 'Calm' *[GESTION 15 May]* 57
Peru: Airline Official Says Argentine Weapons Sent to Ecuador *[Madrid EFE]* 57
Peru: Congress President Carries Fujimori Letter to Menem *[Madrid EFE]* 58
Peru: Government Expresses Confidence in Menem's Intentions *[Madrid EFE]* 58
Peru: Air Force Confirms Discovery of Cocaine in Plane *[EXPRESO 13 May]* 58
Peru: Fujimori on Sanctions for Military Traffickers *[Madrid EFE]* 59
Peru: Sixty Percent Approve of Fujimori's Performance *[EXPRESO 13 May]* 59

Venezuela

Venezuela: Minister Comments on University Disturbances *[Caracas TV]* 59
Venezuela: Congressmen React to Report on Corruption *[EL UNIVERSAL 10 May]* 60

International Affairs: Banana Agreement Reached in Quito

PY1305230496 Madrid EFE in Spanish
0018 GMT 11 May 96

[FBIS Translated Text] Quito, 10 May (EFE) — Deputy ministers and high-level government officials of Guatemala, Honduras, Ecuador, Mexico, the United States, and Panama reached an agreement today in Quito for establishing a common strategy in their claim before the World Trade Organization (WTO) against the EU regulation for importing bananas.

Patricio Izurieta, under secretary of the Ecuadoran Foreign Ministry Foreign Policy Department, told EFE that "we hope that the first meeting of the WTO panel" to decide on the claim against the EU regulation on bananas "will be held on 29 July," and this is why the banana-exporting countries must submit the required information "as soon as possible."

The meeting of the government representatives of the five countries that denounced the European regulation, in addition to Panama, was held after the WTO decided on 8 May to establish a special group of experts to make a decision on this issue.

The government representatives of the Foreign and Agriculture Ministries of these countries agreed today in Quito "to strengthen their coordination through their missions" in Geneva "with the purpose of carrying out the legal claim of the Group of Five (G-5) before the WTO."

Izurieta said that the coordination of the meetings for defining the strategy and claims to be presented by each country will be made by Ecuador, which hosted the meeting and is the largest banana exporter in the world.

Izurieta said that "there is complete agreement among the G-5 and Panama," and that the meeting served "to prove that there is unity of criteria and a desire that the EU banana import regulation" be changed "in order to have a more just and competitive trade among all the countries involved."

Izurieta said: "I believe all the countries already have their team of lawyers working on this issue and no one is thinking of changing their minds." He reiterated that Ecuador does not want to get into "an unreasonable dispute with the EU," but that "the requests for a constructive dialogue for finding a negotiated solution to the problem" have not yielded any results "so far."

The EU negotiated in 1994 an agreement with Colombia, Costa Rica, Nicaragua, and Venezuela. The United States considered the agreement discriminatory, therefore it established an import quota of 2.2 million metric tons of bananas from the continent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Cuba: Envoy to Russia on Primakov Visit, Ties

PA1505223396 Mexico City NOTIMEX in Spanish 1937 GMT 15 May 96

[By Marcel Garces]

[FBIS Translated Text] Moscow, 15 May (NOTIMEX) — The visit that Russian Foreign Affairs Minister Yevgeniy Primakov will make to Cuba will demonstrate to the world that relations between both nations "are valid, useful, and must continue," a Cuban diplomat said here today.

"This visit is intended to demonstrate to the world that the relations both peoples maintained for 30 years are valid, useful, and must continue," Cuban Ambassador Carlos Palmarola stated in an interview with NOTIMEX.

The Cuban representative to the Kremlin stated that the visit by Primakov — the first by a Russian foreign affairs minister to the island — is "highly valued" by Havana.

Palmarola highlighted the timeliness of the visit, which comes directly after the United States approved the Act "on Liberty and Democratic Solidarity With Cuba" (Helms-Burton), which intensifies the economic blockade against the Caribbean island.

The law, which threatens third countries that maintain economic and commercial ties with Cuba with coercive measures, was promulgated by President Clinton on 12 March, following the downing of two aircraft from an anti-Castro organization.

In the incident, which occurred on 24 February, four pilots of the anti-Castro organization "Brothers to the Rescue" died. This organization is based in Miami, Florida.

Cuba argues that the incident occurred over its airspace, while the United States affirms that the events took place over international waters. The International Civil Aviation Organization will soon deliver a report that may shed further light on this matter.

Palmarola underscored that "of course, it is a time in which Cuba highly values the visit by a leader from this great country and I am confident that our people are ready to happily welcome this honorable visitor."

The Cubans, he remarked, are ready to demonstrate to the head of Russian diplomacy the value they place on the historical and current ties both countries maintain.

"We believe, like the Russians, that we must continue to develop and nurture (those ties) for the benefit and well-being of our people," he indicated.

Although this is the first visit of Primakov to Cuba in his capacity as foreign affairs minister, he is known in Havana because he visited Cuba one and a half years ago when he was director of Russian Foreign Intelligence, government sources commented.

After the period of cooling in Russian-Cuban relations in the final days of Mikhail Gorbachev's government and the early days of the current government, a period of full restoration of political and economic ties between both nations is being experienced today.

The ambassador was careful when assessing the cooling period. He said that "looking to the past is not worth it," and paraphrasing President Boris Yeltsin indicated that "that is over and we are now on a pathway of development" of those relations.

Bilateral relations officially thawed on 27 February 1995, when President Yeltsin ordered Chairman of the Government Viktor Chernomyrdin and then-Foreign Affairs Minister Andrey Kozyrev to intensify ties with Cuba.

On 4 May 1995, a Russian-Cuban Protocol was signed in Moscow to exchange 3 million tons of Russian petroleum for 1 million tons of Cuban sugar.

Cuban Foreign Minister Roberto Robaina arrived in Moscow on 21 May that same year to consolidate resumed ties.

In October 1995 a high-level Russian delegation visited Cuba, led by First Deputy Chairman Oleg Soskovets, and various officials from the energy ministries and other state and parliamentary departments have visited the island throughout the year.

Moscow has reasserted its willingness to disburse an approved $300-million credit for Cuba and to fulfill its pledges regarding the construction of the Juragua Electro-nuclear Central.

Russia will also reactivate the implementation of dozens of industrial and economic projects suspended following the Soviet Union's collapse.

Another problem that waits for a "political solution" is Cuba's foreign debt with Russia, which Moscow reveals is $20 billion and which is clearly "unpayable" for Havana.

In the military sector, there are also ties, which were never interrupted, regarding the supply of spare parts and equipment, as well as the agreement that allows Russia to have "electronic ears" (the Strategic Radio Location Station in Lourdes) close to the United States.

The Cuban ambassador in Moscow admitted that all the issues that are of interest to the two parties (Juragua,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Lourdes, the oil-sugar exchange, and the debt) will "surely" be reviewed during the visit, but other projects will also be studied.

Cuba and Russian have achieved progress on a possible cooperation in the geological surveys sector, the search for oil, and the tourism, pharmacology, and biotechnology sectors.

Palmarola, who will travel to Cuba to receive Primakov upon his arrival in Havana next Wednesday, did not dramatize the problems resulting from the oil-sugar barter due to the Russian enterprise Alfa-Eco's failure to fulfill its pledges.

He said this only involves "small discussions" of a technical and commercial nature that "may arise, and are given more importance than they really deserve."

When talking about Cuba is it impossible not to talk about the United States, which has yet to comment on the fact that Primakov will visit Cuba before visiting Washington (contrary to what all Soviet leaders have done in their time).

The Kremlin, the Parliament, and practically all local political sectors have condemned the Helms-Burton law and Primakov's visit to Havana is a good opportunity to reassert this.

Consequently, Primakov's visit to Cuba — part of a tour that begins in Mexico and will conclude in Venezuela — is more than a protocol action of Russia's diplomacy.

Cuba: Russian Minister Visits Latin America, Seeks Ties

PA1605040696 Havana PRENSA LATINA in Spanish 1541 GMT 15 May 96

[FBIS Translated Text] Moscow, 14 May (PL) — After a period of alienation from Latin America, Russian foreign policy is now trying to rekindle Russia's relationship with the lower continent with the upcoming visit to Mexico, Cuba, and Venezuela by Foreign Minister Yevgeniy Primakov.

Local diplomats believe that Primakov's visit is primarily aimed at filling a five-year gap since the last visit to Latin America by a Russian foreign minister and is in keeping with the Kremlin's plans for rapprochement.

Foreign Ministry sources have told PRENSA LATINA that Primakov's agenda will include talks on a range of topics including international politics, bilateral ties, and the search for mechanisms to strengthen economic trade bonds. Official spokesman Grigori Karasin has stated that Russia has never planned to withdraw from the region and instead, as a great power, is seeking quite the opposite.

No topics will be barred or banned from the negotiations with Mexico, Cuba, and Venezuela. We will seek an understanding based on the principles of respect and mutual benefit, Primakov stated upon welcoming the ambassadors from the three nations.

In statements to PRENSA LATINA, Venezuelan Ambassador Jose Francisco Sucre described the visit as very significant for Caracas, because it is the first such high-level visit in history.

Primakov's visit gives evidence of a change in Moscow's policy toward a part of the world with favorable prospects for political, socioeconomic, and cultural cooperation.

In Cuba, meanwhile, Primakov and Cuban authorities will review the mechanisms aimed at restoring bilateral contact, in keeping with official policy, with sights set on strengthening them under the new settings.

In Mexico, Primakov hopes to sign agreements related to scientific and technical cooperation, space exploration, the restoration of the joint economic commission, and the fight against drug trafficking.

The visit to Latin America will begin this Sunday and conclude a week later with the signing of an agreement on scientific and technical cooperation and cultural exchange, among others, in Caracas.

Cuba: PRC Deputy Foreign Affairs Minister Ends 3-Day Visit

PA1505170596 Havana Radio Havana Cuba in Spanish 1300 GMT 14 May 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Chinese Deputy Foreign Minister (Jiang Qiechi) returned to his country following a three-day visit to Cuba. During his visit he met with Army General Raul Castro, first vice president of the Council of State.

The Chinese diplomat and the delegation he headed exchanged experiences with their Cuban colleagues and discussed various topics of mutual interest.

(Jiang Qiechi) toured the Caribbean area, including Antigua and Barbuda, Barbados, and Trinidad and Tobago.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Libyan Secretary Concludes Official Visit to Cuba

PA1505194096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 13 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Today, Umar Mustafa al-Muntasir, secretary of the People's External Liaison and International Cooperation Bureau of Libya, who was visiting Cuba at the invitation of Foreign Minister Roberto Robaina, concluded his visit to Cuba. The Libyan foreign minister was bid farewell at Jose Marti International Airport by Cuban Vice Foreign Minister Benigno Perez, Libyan Ambassador Ahmad Ali Jarrud, and Arab diplomats accredited in Cuba.

During his three-day stay, Umar Mustafa al-Muntasir held official meetings with Robaina, and the foreign investment and economic cooperation, and public health ministers, and leading officials of the National Assembly of the People's Government.

[Begin Umar Mustafa al-Muntasir recording, in Arabic with passage-by-passage translation into Spanish] The visit has been truly successful. We agreed to increase the level of economic and commercial cooperation and take our relations to the level of [words indistinct] [end recording]

In order to further the results of the visit to Cuba, both sides have agreed to hold in the near future a meeting of the Cuban-Libyan Joint Intergovernmental Commission.

Cuba: UNEAC President on Politburo Report, EU Reaction

PA1505162796 Havana Radio Havana Cuba in Spanish 0000 GMT 11 May 96

[Interview with Abel Prieto, president of the National Union of Cuban Writers and Artists (UNEAC), by Barbara Betancourt; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Politburo's report to the Fifth Plenum of the Central Committee of the Communist Party of Cuba [PCC], and the effects the document will have on the works of Cuban intellectuals was the issue discussed almost all of Friday afternoon by foreign reporters accredited in Havana and UNEAC President Abel Prieto. During the meeting, Prieto, a well known intellectual and a member of the Politburo of the PCC, rejected the notion that the document was anticultural or antiacademic.

[Begin Prieto recording, in progress] ...because precisely one of the most significant things about this document is that it makes an integral evaluation of Cuban society under the current circumstances; an evaluation which is extremely complex. It seems to me that what the document does is point out, sort of enumerate, the antisocialist forces that can develop in our society, and the dangers of an ethical breakdown.

I believe that part of the document has tremendous significance, I would even venture to say that it coincides with many things Cuban intellectuals have been suggesting in their works and conferences. People perceive this integral evaluation and they, of course, discuss, and agree with the evaluation made there, that these are very dangerous times. In that respect, I believe the report's language is very vivid. I would say its description of the country's current situation and future risks is sometimes even harsh. I believe that perhaps the idea that there will be a witch-hunt in the intellectual camp really has no value. [end recording]

As to the person who speculated on the disappearance of the intellectual magazines published in the culture and social sciences fields, Prieto silenced them by affirming that all of these magazines will continue to be published.

[Begin Prieto recording] Last week we issued CONTRACORRIENTE, the UNEAC GAZETTE, and TEMAS; and soon we will publish another issue of one of our writers' magazines. The movement regarding discussion of issues in social sciences and cultural fields will continue. It is indisputable that the policy of discussion, collective analysis, and debates, is the only possible policy in regard to culture. It is a necessary policy. I would say, it is essential to continue to maintain the unity of the Cuban intellectual community regarding the Cuban Revolution. You achieve that unity through discussion. I believe there is agreement on this issue within the Party. I also believe that this internal, ideological, cultural debate will continue. I see it in terms that we have to tolerate it, first, because we need it. That is, when you tolerate something it is because you believe that you have to endure it for some reason or other. I believe that we need it and that we should encourage it, so that each day it will be more useful and effective. I believe that now more than ever we need to meditate. I believe that the document, in addition to being a call for firmness and unity, is a call for intelligence. [end recording]

Asked to comment on media reports that claim that this document served as an argument for the EU to decelerate the dialogue with Cuba, this was Prieto's reaction.

[Begin Prieto recording] I believe that this document essentially responds to the country's internal needs. There is an important issue in this which I believe you are aware of. I believe you know that Cuba never acts

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

based on the possible repercussion that its measures may have in specific circles. I believe that we act according to an ethical code. If anyone in the EU, in Brussels, or elsewhere, has taken the document as an argument to end the conversations, it really does not seem right to me. I do not believe the document is really a great obstacle in this matter. If there are options for continuing these conversation I do not believe the document will be an obstacle. We always work, I believe it is important to emphasize this point which gives us such great morale, keeping in mind, above all things, the needs of the country. [end recording]

These were the comments of UNEAC President Abel Prieto, member of the Politburo of the PCC, who was invited to the traditional Friday with the press meeting with foreign reporters accredited in Havana.

Cuba: Lage Discusses Plans for Rice Harvest

PA1605030396 Havana Radio Rebelde Network in Spanish 1700 GMT 13 May 96

[From the "National Radio News"]

[FBIS Translated Text] Approximately 180,000 metric tons of rice will be harvested in Cuba in 1996, marking a production recovery that will lead to the country's self-sufficiency.

Carlos Lage Davila, secretary of the Council of Ministers' executive committee, told reporter Alcides Garcia that the current harvest will help as a reference for future plans.

[Begin Lage recording] We are planning to have another important production increase in 1997. We are now [word indistinct] one of the rice harvesters. We need to know the resources required to attain a 30, 40, or 50 percent growth rate. It will be very important to assess the current harvest's performance, and know how much each machine produces. The machines repaired in Cuba are doubling the yield, when compared to the results of past campaigns.

We must also know the yield in each field, because those showing greater yields will need more resources. Thus, we can plan accordingly. [end recording]

Cuba consumes half a million metric tons of rice annually, which must mostly be imported from an increasingly costly international market. Therefore, projects to increase rice production are under way in Cuba.

Cuba: Villa Clara Province Surpasses Production Goal

PA1505185896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 13 May 96

[From the "NTV" newscast]

[FBIS Translated Text] Villa Clara Province concluded its sugarcane harvest surpassing its production goal by 1,500 metric tons of sugar, and the highest industrial yield in the country, 11.75, a whole point higher than in the previous harvest. This month, the workers of this province face pressing sugar recovery tasks.

On 5 May, the province reached its goal of 505,440 metric tons of sugar.

[Begin unidentified speaker recording] To date, the province has produced 138,000 more metric tons than on the same date the previous year with the difference that last year we were still involved in harvest tasks and today we are engaged in sugarcane recovery efforts. By the time this harvest comes to an end, we would have produced 121,000 metric tons more than last year. These results are attained by grinding 374.8 million arrobas of sugarcane, 8 million less than projected, but surpassing the projected yield by 0.28. [end recording]

The end of the harvest in Villa Clara was marked by awards and congratulations for all those who made it possible for the province to become the first, among the top producing provinces, to complete its production program.

Cuba: Santiago de Cuba Improves Water Distribution Network

PA1605031696 Havana Radio Rebelde Network in Spanish 1700 GMT 13 May 96

[From the "National Radio News"]

[FBIS Translated Text] Significant investments have been made in Santiago de Cuba to ease the problems of the people and industries due to water shortages.

So far, over 30 million pesos have been invested in projects to bring water from the Rio Cauco basin to the Gilbert Dam, which is the city's main supplier of water. Two 14-km pipes are being built to transport the water to the Alto de Quinteros' aqueduct, at a cost of approximately $5 million.

Also, 40 km of pipes will be installed to replace the old water distribution network in Santiago de Cuba city, where 60 percent of water is lost due to the system's deterioration.

In addition to the need to end water distribution problems, the party has urged the city's aqueduct authorities

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to finish the installation of water meters in areas with many consumers, many of whom waste too much water.

Cuba: Yuri Gagarin Military Enterprise Expands Production

PA1605025196 Havana Radio Rebelde Network in Spanish 1700 GMT 14 May 96

[From the "National Radio News"]

[FBIS Translated Text] The Yuri Gagarin Military Industrial Enterprise will increase its volume of production and services for the national economy this year. This entity of the Revolutionary Armed Forces [FAR] is projecting an increase of 15 percent in its production for the national economy in 1996, or twice this year's general production growth.

Since its creation, the Yuri Gagarin Enterprise has provided equipment and aviation repair services to the FAR and civilian organizations. Now, it will expand its ties with the national economy and, although the main focus is still aeronautics, it has also begun to produce equipment and tools for hotels, as well as take part in the repair of medical equipment.

These results are the outcome of a number of organizational measures introduced in the Armed Forces's enterprises, as well as other factors, according to Engineer Lieutenant General Boris Lopez, the enterprise's director.

[Begin Lopez recording] The main accomplishment of this enterprise, in the 30 years since its creation, is to have put together a work force that basically works together. It is now capable of adjusting to events and tackling tasks in a sector with which we were familiar. As a result of the technological training and technological and labor discipline, the workers are so flexible they are able to produce for other sectors of the economy. [end recording]

The Yuri Gagarin Enterprise closed 1995 with a profit, and in the first quarter of 1996 it has attained higher profits than projected.

Cuba: Western Army Chief Inspects Units on Isla de Pinos

PA1605040596 Havana Radio Rebelde Network in Spanish 1700 GMT 14 May 96

[From the "National Radio News"]

[FBIS Translated Text] The leadership of the Western Army has begun an inspection visit to the Isla de Pinos in order to verify compliance with defense and food production tasks. Brigadier General Raul Valle, chief of the General Staff of the Western Army, is heading the inspection team, which will visit active duty units, reserve units, defense zones, economic sites, and production centers.

The Isla de Pinos has pledged to Army General Raul Castro that it will attain the readiness for defense in the second phase status by next year.

[Begin Valle recording] This special municipality has us accustomed to good results in defense preparations, and we expect that by the end of the inspection we will have been able to basically assess their weaknesses in order for the people of the Isla de Pinos to overcome them with the objectivity and enthusiasm that has always characterized them.

We expect that they will be ready when the Ministry of the Revolutionary Armed Forces inspects them in July, as part of the Western Army region. [end recording]

Cuba: Broadcast Frequencies Assignments to Cuba Denounced

PA1505155696 Havana Radio Havana Cuba in Spanish 1300 GMT 15 May 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuba has denounced before the UN Information Committee U.S. plans to assign exclusive television channels and radio frequencies for broadcasts to Cuba and reiterated that it will continue to adopt the necessary measures to defend its sovereignty and dignity.

Pedro Nunez Mosquera, alternate ambassador to the United Nations, said that those who encourage and allow these attacks will have to assume responsibility for their consequences. The Cuban diplomat noted that establishing a new world order on information and communications is indispensable and urged the United Nations to promote the effective transfer of technology for the benefit of developing nations.

Cuba: Lage Attends Meeting on Combating Cattle Theft

PA1605040796 Havana Radio Rebelde Network in Spanish 1700 GMT 14 May 96

[From the "National Radio News"]

[FBIS Translated Text] Carlos Lage, secretary of the executive committee of the Council of Ministers, headed the Havana Province plenary, which analyzed the problem of the rustling and illegal slaughter of cattle.

The report by the provincial agriculture delegation outlined the treatment of this crime in the province since 1990 and stressed that 1993 was the worst year on

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

record, with losses of 6,200 head of cattle, particularly among private producers and cattle ranchers without lands.

The different experiences of the basic cooperative production units and farms that have managed to reduce the levels of this crime were presented at the plenary; therefore, it was suggested that the most effective methods should be studied for every case.

It was also stressed that the selection of people to guard cattle must be done very carefully and that the solution is not to increase the number of CDP [expansion unknown] but to have more worker patrols.

During the discussion of the problems of the private sector, Agriculture Minister Alfredo Jordan stated it is necessary to close ranks and use legal recourses such as the confiscation of land and cattle from those who do not take the proper care and from those who are repeated offenders.

Cuban Prosecutor General Juan Escalona acknowledged that there have been deficiencies in tackling this type of crime because of the difficulty in proving facts.

At the plenary on the rustling and illegal slaughter of cattle in Havana Province, Lage stressed that there cannot be talk of the recovery of the cattle sector in the country, until this battle is won.

Cuba: Commentary on Tourism, Warning About Efficiency

PA1505143296 Havana Radio Rebelde Network in Spanish 1155 GMT 9 May 96

[Commentary by Eduardo Jimenez; from the "Doing Radio" program]

[FBIS Translated Text] Sometimes figures amaze us, because we see them stretching as snakes in the lines of a newspaper, or in the voice of a reporter. However, amid the figures, one could be trapped in a spider web that blocks the access to real facts beyond every figure.

It is true that there is a current remarkable boom in the Cuban tourism industry. This industry has become the most dynamic among all Cuban economic sectors, and due to its revenues, we are beginning to interpret the aphorism that states that there is no country without sugar in a different way.

The tourism sector ... not only provided an important source of employment, and competent workers, but its progress has encouraged the awakening and recovery of several other productive sectors in the national economy, which suffered from the immobilizing effects of the crisis. The tourism sector, as the Prince Charming of sectors, also brings individual and visible direct benefits beyond the tips that help many families' budgets.

In 1995, it was estimated that almost 15 percent of the amount spent by tourists ended up in home restaurants, fairs, private transportation, and other business outside the official tourism sector. According to Tourism Ministry's estimates, between 12 and 14 percent of tourists are currently staying at private homes, encouraging tourism outside the hotel system, which will be soon regulated by the new tax policy in force.

Advancement, expansion, and dynamism will be the inevitable qualities of the Cuban leisure industry at first sight. Cuba would be making a spectacular and essential leap if the estimated 1 million tourists were to arrive by the end of 1996. However, behind the figures that have been showing a continued increase of tourists in recent years, certain data must be further evaluated, to learn more about the relative success indicated by the figures so far.

I wonder if the fact that Cuba is having more foreign tourists every year means that our tourism industry is efficient. The first things that comes up, when critically analyzing this sectors' millionaire revenues, are the still significant expenses, and the often high operational costs to produce profits. When the net profits' distribution is made, after taxes and writing off the contribution to the budget, the payment of loans, and 50 percent to cover the facilities' depreciation, the dividends left are not enough to swiftly recover the country's costly investments.

The tourism sector has an ethical as well as an economic commitment. It is true that tourism is a developing industry, yet, it is not exempt from the straining effect of the economic development model that began to be amended in 1986. This model was characterized by irrationality, waste, issues unrelated to finances and price fluctuations, and the worship of figures, all of which grew roots and found the right soil to prosper.

The tourism industry and the Cuban economy as a whole face the constant danger of measuring economic growth in terms of what is for sale instead of relying more on efficiency. Perhaps this Achilles' heel is not apparent in the huge figures that appear in our newspapers, or the tips in our pockets. However, the economy always involves much more than figures in the millions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Cuban 'Bureaucrats,' 'Technocrats' Criticized

PA1505185996 Havana Radio Rebelde Network in Spanish 1155 GMT 13 May 96

[Commentary by reporter Eduardo Jimenez; from the "Doing Radio" program]

[FBIS Translated Text] Bureaucracy is a substantial phenomenon in the large modern state apparatus and apparently there is no society in the world which does not suffer from it. Bureaucrats have become the tribal witch doctors that dominate all the secrets of the art of administrating, directing, and planning. They have become so professional in their bureaucratic tasks that they generally lose sight of the fact that the main purpose of their job is to serve the people they represent as well as possible.

Of course, there exist sick and very developed bureaucracies, like the U.S. bureaucracy, that play at implementing policies in a very technical, efficient, and cold manner without concern for the human suffering that the imposition of certain laws may cause. It is obvious that the bureaucratic fauna, besides being very varied, takes on very reactionary roles and is able to distort, or annihilate, the most altruistic collective efforts.

A sad example of this socialist reality, which turned out to be nonrealistic, or not very realistic, shows how dangerous a bureaucracy united by self-interests can be. The Russian bureaucratic system that said it wielded power in the name of the people, branched out and occupied all the power and decision-making areas establishing opportunistic rules of the game which led to the people's demobilization and to capitalism.

In Cuba, the bureaucracy has not had the opportunity to fill and act freely in all areas of our lives to control the destiny of the nation. Austerity, a sense of justice, and great sensibility to social problems, have been the patent of the success of the revolutionary government which protects the revolution against all present storms and tempests, in addition to its history of intransigence against all signs of corruption. Even more important, the Cuban people have a relentlessly strong instinct and a critical sense for fighting falsehoods and lies in many ways. Even so, bureaucratic practices and thought in Cuba have significant manifestations and existence in our lives that cannot be underestimated. Without doubt, the predominant scheme of nationalization, as opposed to socialization, of our economy borrowed in part from the Soviet model, has in many cases resulted in an extreme centralization of directive actions in all levels of our society. In some way, this benefited the rise of an inflexible and dogmatic mentality in a number of bureaucrats who are consciously or unconsciously opposed to any proposal which implies a weakening of their power and fringe benefits. What is odd is that these persons end up caring more for their bureaus and the attributes of power they bestow on them, than on the principles of a revolution they claim to defend.

With the progress of the economic reforms that the country has had to implement in the last five years, a new minority bureaucratic class is emerging within the emergency economy that displays, with a certain cowboy arrogance, the cellular phone [el celular] hanging at his side. These new technocrats, these men of success, may perhaps not be immediately obsessed to escalate the political ladder, but they do represent a threat because each day they are becoming more present in the handling of the country's important economic resources. The new, good, bourgeois try to change their surroundings by their conduct: Hazarding bribes and being bribed. Apparently, they are not interested in politics, but in profits, although they carry the party's card to assert themselves as persons to be trusted, and therefore be less subject to criticism and controls.

These bureaucratic specimens carry an unprofessed predilection for capitalism in their executive briefcases, and a demobilization conscience which inevitably leads down the path to annexation. The only thing the bureaucrats and technocrats forget is that they are not in these government positions by divine grace, but because, in some way, the people put them there to serve the nation and its simple folk.

And something not to be scorned, in the historical conscience of Cubans, the words of Ortodoxos Party leader Eduardo Chibas are still present. Honor versus money, Eduardo Chibas said 50 years ago, and that is still a maxim in this island. At any rate, the dice are cast.

Cuba: Editorial Stresses Importance of Efficiency

PA1605033796 Havana Radio Rebelde Network in Spanish 1700 GMT 13 May 96

[From the "National Radio News"]

[FBIS Translated Text] Today's TRABAJADORES newspaper editorial states that, in the years of the special period, Cubans have become aware that there is no alternative but socialism to maintaining independence and the revolution's achievements.

The editorial stresses that workers, and all the Cuban people, have also become aware during recent years that it will be impossible to keep what we have accomplished and progress if efficiency in all sectors, particularly in the economy, does not improve.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

TRABAJADORES notes that revolutionaries have still not attained the habit of the meticulous and timely performance of their daily work, based on strict respect for labor and technical discipline. We also lack true administrative discipline, which is essential to achieve efficiency and competitiveness.

Therefore, TRABAJADORES states, unions have much to learn to help make efficiency the reason for all labor efforts and political and social activities. Thus, we must not only expand our knowledge of economic issues, but also do away with improvisation and letting our work become routine and formal, in order to be able to act in line with the current situation.

The editorial goes on to say that at the end of the successful Cuban Workers Federation [CTC] Congress, which clearly marked the end of an era and the beginning of another phase of the workers movement, the CTC has three mayor goals to prove its capacity to lead and mobilize workers: To make sure that workers are involved in the creation and control of the economic plan; to fulfill collective labor agreements, and to see to the effective correlation of material and moral incentives with performance.

TRABAJADORES notes that these three basic elements that summarize the spirit of the CTC's 17th Congress must guide the course of the union's efforts in coming years, without neglecting other tasks.

In addition, TRABAJADORES highlights the big and decisive responsibility of the CTC in this phase of the Cuban revolution. The editorial notes that there is faith and trust that the union's goals will come true at this historic and crucial moment to consolidate independence and the revolution's achievements, because there is support from workers and union leaders at the grass roots level.

The editorial states that the political forces in today's Cuban society overwhelmingly support the revolution, when seen in terms of the consensus on independence, anti-imperialism, and social justice.

Today's TRABAJADORES editorial ends by recalling Fidel's remarks on Cuban workers during the final meeting of the 17th CTC Congress: To know that there are such men and women must be one more reason for all of us with responsibilities to do more than what we do and struggle more than what we have struggled, because it really is worthwhile.

Haiti

Haiti: Chinese Delegation Urges Diplomatic Relations

PA1605003396 Port-au-Prince Signal FM Radio in Creole 1130 GMT 14 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] A Chinese delegation visiting Port-au-Prince met 11 May with Haitian parliamentarians, according to parliamentarian sources. The Chinese delegation noted that they are interested in the establishment of diplomatic relations between Haiti and China.

Haitian Deputy Alix Fils-Aime proposed a resolution recognizing the People's Republic of China, which might cause Haitian relations with Taiwan to be broken. The deputy recognizes Taiwan as part of China. In his opinion, relations will not be broken, but will be maintained always. He favors the strengthening of Haiti's diplomatic framework of relations with all countries in the world.

Haiti: Air Link With Santiago de Cuba Inaugurated

PA1605003496 Port-au-Prince Signal FM Radio in Creole 1130 GMT 14 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] A regular charter air link was inaugurated between Port-au-Prince and Santiago de Cuba over the past weekend, according to an official source. The new flight, which lasts one hour and 15 minutes, is made on Fridays and Sundays by a little 28-seat plane chartered by a [word indistinct] of Haitian operators, (Syreb Tours) and the Haitian air company Carib Inter, Corp.

An immediate correspondence provides Havana with a plane from the company Cubana de Aviacion, chartered by Havana Tours. [sentence as heard]

Haiti: Preval To Visit Jamaica 15 May

PA1605011196 Port-au-Prince Signal FM Radio in French 1700 GMT 15 May 96

[Report by Evens Lefevre; from the "Signal 13" newscast]

[FBIS Translated Text] Haitian head of state Rene Garcia Preval will visit Jamaica today. He will leave the Haitian capital at about 1500 this afternoon for a stopover in Miami before taking another plane to go to Miami ... [pauses] to go to Jamaica at the official invitation of Prime Minister Percival Patterson.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Haiti: Citizens Battle Police in Carrefour Area

PA1605011296 Port-au-Prince Radio Metropole in French 1900 GMT 15 May 96

[From the "Three O'Clock Newsflash"]

[FBIS Translated Text] The inhabitants of the Merger region blocked roads near the No. 2 National Road early this morning in the region of Mariani, in Carrefour, following an incident in which a person was shot.

Vehicles cannot move both ways [as heard] on the road due to the anger of the Merger inhabitants, who are demanding that repairs be made to a school.

The National Police intervened to try to clear the road, and a fight started when demonstrators began hurling stones at the policemen.

Since this morning all attempts to clear the road have been unsuccessful, according to inhabitants contacted by phone.

Haiti: Assembly President Criticizes Absenteeism

96P20417A (Internet) Haiti Online in French 13 May 96

[FBIS Summary] At the closure of the first session of the 46th legislature on 13 May, National Assembly President Edgard Leblanc called on legislators to be more conscientious in their duties: "We must be more effective in rejecting absenteeism, more effective in our speeches—which are too long, more effective in mastering parliamentary procedure and the process for holding discussions, voting and ratifying laws."

During this session, which began on 9 October 1995, legislators passed the territorial collectivities law, but failed to pass the budget or a law to combat absenteeism in the Assembly. Chamber of Deputies President Fritz Robert St. Paul said that President Preval is likely to call an extraordinary session of parliament to vote on the budget. St. Paul warned, however, that deputies are unlikely to return to vote on an issue other than the budget during their vacation, since some of them will be leaving the country. Parliament is scheduled to reconvene on the second Monday in June.

Before the session ended, assembly members met with a delegation from Communist China to discuss the resumption of diplomatic ties between Haiti and China.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Concern About U.S. Maneuvers in Darien

PA1405204396 Mexico City LA JORNADA in Spanish 12 May 96 p 1

[Editorial: "Worrisome Movements" — received via Internet]

[FBIS Translated Text] The Gulf [as received] of Darien is an inhospitable, jungle, and scarcely populated region. It has however, a great strategic value because it separates Panama from Colombia, a fact that forces one to recall that in order to build the canal it was interested in, Washington encouraged the independence of what was until then a Colombian province and created a country that it has always tried to keep as a vassal by resorting to massacres and invasions. In addition, Darien abuts the Colombian Uraba banana region, which is highly unionized and where a confused and disguised civil war has been raging for years, immersing in a bloody and seemingly endless struggle between guerrillas and bandits, the armed groups of landowners, and soldiers obeying orders from landowners or the Bogota government. If that were not enough, the central and northern region of Latin America, including Mexico, and the South American region, mostly the Andean zone that is so problematic for the United States, is controlled from Darien.

In this crucial region, U.S. troops stationed in Panama are conducting maneuvers, according to statements by that country's government minister, for "brief periods" in order "to protect the Panamanian border." These statements prompted the Colombian Air Force to fly over the zone and raise the concern over Washington's military pressure on Colombia, taking advantage of the prevailing political instability in the latter country.

It is noteworthy that three and a half years from the moment that the Southern Command troops must leave the Panama Canal, according to the Torrijos-Carter treaties, these troops are stationed in Darien under a groundless pretext, since neither Colombia nor Colombians have threatened the Panamanian border, and the military defense of that border does not fall within Washington's purview.

Such a measure raises concerns over the compliance with the Canal Treaties, since the U.S. military's attitude makes one believe they have decided to pitch camp and stay. On the other hand, it also reveals the accelerated, although gradual, [as received] implementation of a hard policy toward Latin America since by using the pretext of an intervention for humanitarian purposes or to fight drug trafficking the U.S. Army unifies its actions with the military forces of the governments that are going along with it, rearms them with war instruments that technically serve for much more than to control drugs, unifies the equipment, tactics, and strategy of local troops, and exerts a true command over our countries.

The strategic character of this not too hidden campaign was seen when the chief of the Southern Command, with headquarters in Panama, was named the continental "czar" of the antidrug campaign at the same time when drugs have replaced the old "antisubversive" theory of national security that came down with the Berlin Wall as a justification for intervention. It is necessary, therefore, to recall that one cannot play with the Latin American border problems to divide and conquer them better and, most of all, that to hurt the independence and sovereignty of a brother nation would be tantamount to attacking our whole continent.

Mexico: Government Pleased With EU Decision To Negotiate

PA1505231096 Mexico City NOTIMEX in Spanish 2043 GMT 14 May 96

[FBIS Translated Text] Mexico City, 14 May (NOTIMEX) — Jaime Zabludovsky, under secretary for International Commercial Relations, expressed his pleasure over the EU's decision to begin negotiations to sign a trade agreement with Mexico.

This decision breaks the impasse and ends the lack of definition as to the steps to take on trade relations with Mexico, Zabludovsky said.

The EU Foreign Affairs Council of Ministers yesterday approved in Brussels the mandate to begin formal negotiations with Mexico for an Agreement of Economic Association and Political Accord [Acuerdo de Asociacion Economica y Concertacion Politica].

Zabludovsky stressed to the National Association of Manufacturers (Canacintra) that this decision is of great importance for Mexico because it steps up negotiations and "increases the strategic importance" of doing business.

He reiterated the goals of the International Negotiation Program planned in the Foreign Trade and Industrial Policy Program, which are: To promote a framework of commercial norms and take advantage of Mexico's geographical position.

In this regard he highlighted that Mexico can serve as a trade bridge between East and West, while at the same time increasing its trade with Europe and Asia and encouraging the flow of direct foreign investments to the country.

He stressed the fact that Mexico will continue participating in international trade forums such as the WTO, which includes more than 150 countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Even China and Russia are going through the motions to join the WTO, he noted.

Zabludovsky also mentioned that the Economic Cooperation and Development Organization (OCDE) is a privileged forum for Mexico because of its importance. "It is a forum where Mexico's privileged position begins to be discussed," he said.

Regarding the Latin American Integration Association (ALADI), he said that to modernize it and adjust it to the new economic reality "is Mexico's challenge and that of other nations."

Regarding Asia-Pacific Economic Cooperation [Asociacion de Paises de la Cuenca del Pacifico — APEC], of which Mexico is a member and whose countries Zabludovsky described as the world's most dynamic, he said that Mexican businessmen may actively participate in that forum.

In his explanation to the industrialists on the free trade agreements that Mexico has signed with the United States, Canada, Bolivia, Colombia, Venezuela, Costa Rica, and Chile, he said that those mechanisms have "clear and open rules."

He added that Mexico's great challenge is to have free trade agreements with the rest of the Latin American countries and mentioned that negotiations are currently under way with Guatemala, El Salvador, Honduras, Panama, Ecuador, and Peru on this.

Nevertheless, he clarified, that with Caribbean basin and Mercosur [Common Market of the South] countries there are no short-term plans for negotiations, but to seek instead the adjustment of their instruments to a new trade reality.

With APEC, he said, the idea is to encourage a liberalization with the goal to attain free trade by the year 2010 with the lesser developed countries and by the year 2020 with the more developed ones.

Mexico: Canadian Labor Minister Comments Upon Arrival

PA1605033996 Mexico City XEW Television Network in Spanish 0300 GMT 15 May 96

[Report by journalist Ivonne Frid in Mexico City; from the "24 Hours" newscast]

[FBIS Translated Text] More than 400,000 jobs have been created in Canada after the North American Free Trade Agreement was enforced in January 1994. The statement was given by Canadian Labor Minister Alfonso Gagliano upon arrival in Mexico City.

During a news conference at Mexico City's airport, Gagliano said the purpose of his visit is to participate with his Mexican and U.S. counterparts in the third meeting of the Ministerial Council for the North American Labor Cooperation Agreement. The meeting will be held Wednesday at the Labor Secretariat facilities.

During the meeting the secretaries will receive a comparative report on each country regarding the number and types of jobs created in recent months. Gagliano said that between 5,000 and 6,000 Mexican farmers go to work in Canada at harvest time and then they return to their places of origin. Talking about problems faced by Mexican workers in the United States, he said:

[Begin Gagliano recording — in English] Because it is not just a labor problem. It is an immigration problem and, therefore, I do not intend to intervene between the countries since it is not just a question of labor. It includes immigration so I am sure my two colleagues will come to an understanding toward resolving this important problem. [end recording]

During the meeting the secretaries will exchange information on modifications to each country's labor laws. Respect for workers' rights is an important issue.

Mexico: Gurria on Cooperation With European Union

PA1605031396 Mexico City XEW Television Network in Spanish 0300 GMT 14 May 96

[Interview with Mexican Foreign Secretary Jose Angel Gurria by Abraham Zabludovsky on 13 May at the Mexican Foreign Secretariat; aired during "24 Hours" newscast — recorded]

[FBIS Translated Text] [Zabludovsky] Thank you for this interview. The EU foreign ministers today agreed to issue a mandate to negotiate a wide-range agreement with Mexico. What will Mexico negotiate with the EU?

[Gurria] Today, a mandate was approved so that the European Commission, which is the body of officials that manages relations with third countries on behalf of the 15 EU countries, will draft a document that will eventually be presented to our country. This document will serve as the basis to begin negotiations to reach an agreement that will have a political, cooperative, and commercial nature. It will be a wide-range agreement, an agreement that we have not signed with any country or group of countries thus far.

[Zabludovsky] Why is Mexico interested in these types of negotiations with the Europeans?

[Gurria] Trade with Europe represents almost 10 percent of Mexico's overall trade. A few years ago, it ranged

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

between 12 and 13 percent. It means that although Mexico's overall trade has been growing very fast, Europe's importance within it has been declining. Mexico is interested in diversifying its trade and investment sources. Mexico is interested in diversifying its political relations with other areas of the world within a context, I insist, of an increasingly broader commerce. This is Mexico's interest. From the European point of view, Mexico is an increasingly interesting and important market. The Europeans want to participate in it too, they do not want to leave it only for the NAFTA partners or our Latin American neighbors which are increasing, in a very prominent manner, their participation in the overall trade with Mexico.

[Zabludovsky] You say that the agreement involves cooperation, political, and trade elements. Regarding trade, is this a free trade agreement with Europe?

[Gurria] It will eventually be a treaty for a reciprocal and progressive liberalization, as they say. In other words, customs and noncustoms barriers will eventually be eliminated, like in a free trade agreement. It is called a reciprocal and progressive liberalization because that is the jargon used within the EU on this issue. Trade between Mexico and Europe practically doubled, from $5.5 billion to 11 billion, between 1989 and 1995. As we said, Europe is interested in higher trade levels; Mexico is interested in higher trade levels with Europe, having more options and a greater diversity of partners — the whole world. That is basically the trade angle.

The Europeans have said several times, in documents which have circulated within the EU, that they do not want European companies to be affected or excluded from this trade due to the pro-North American or pro-Latin American slant from free trade agreements we already have with these other nations. That is the main goal.

[Zabludovsky] If there were fewer obstacles for Mexican exports to Europe could these exports increase considerably based on this agreement?

[Gurria] That is the goal. We have seen trade levels increase in all the cases where we have signed free trade agreements, either with an individual country or with a group of countries. As time goes by, trade has a tendency to concentrate in the countries with which we have free trade agreements. In fact, imports from the United States and Canada dropped barely 2 or 3 percent in 1995, which was such a difficult year, whereas imports from Europe dropped 25 percent, and imports from individual countries dropped 30, 40, even 50 percent. The mutual advantage of eliminating customs and noncustoms barriers has been proved.

[Zabludovsky] Dr. Gurria, you talk about a political element in this future agreement. What do you mean?

[Gurria] Periodic contacts would be established at the head of state level, the foreign minister level, the secretary level — in different specialties, the technical level, and at the expert level. Consultations would be held periodically. For example, the United States, Canada, Russia, and Ukraine already have these types of periodic meetings with the EU. Mexico would join these countries. They have privileged access and periodic high-level meetings to discuss bilateral issues and multilateral issues that interest or affect the two countries or the two groups of countries.

[Zabludovsky] You also talk about a cooperation element between Europe and Mexico.

[Gurria] This is probably one of the least known chapters. The political element is quickly understood and the trade element is quickly understood, but the cooperation element is so broad that it is not easily understood. However, it includes the struggle against drug trafficking and the support of systems, telecommunications, education, support from the European Investment Bank, technology on water issues and environment issues — an enormous variety of possibilities. Only countries that have such an agreement with Europe have access to these possibilities. Referring to this, we hope that one of the most active chapters will be precisely to explore, to the maximum, the cooperation we can receive from Europe, and also to cooperate with Europe and give cooperation to third countries which interest us — the Central American and Caribbean area in Mexico's case.

[Zabludovsky] Mexico obtains many benefits from the Europeans. What does it give in return?

[Gurria] I think that, in the trade sector, we are talking about the fact that Mexico is one of the largest markets in the world. Mexico's overall trade will total almost $180 billion in 1996. To give you an idea, it is equivalent to the total amount traded by all the Mercosur [Common Market of the South] countries. It is higher than the total amount traded by all the Central Europe countries. Mexico is one of the most important trading countries in the world. We will probably import approximately $80 billion, perhaps more, in 1996. The Europeans do not want to abandon this market. They do not want a favorable slant toward countries with which we already have trade agreements. They want to increase their participation in a trade that is also growing in a dynamic way, both in the export and import sector.

Regarding political issues, Mexico is an important player at the world level. It has always been a leading participant in all the decisionmaking processes in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

multilateral sector. Obviously, Mexico's closer ties with Europe on issues that affect mankind, our own zone, and Europe are very important. As I said, the cooperation element has infinite possibilities; it will mostly depend on our creativity and ability to organize projects and explain them to Europe so we may support them and achieve progress on this issue. This will truly be a great opportunity when negotiations formally begin.

[Zabludovsky] Foreign Secretary Gurria, thank you for this interview.

[Gurria] Thank you.

Mexico: Industrial Policy, Foreign Trade Program Examined

PA1605020296 Mexico City REFORMA in Spanish 8 May 96 p 1

[Report by Yadira Mena — received via Internet]

[FBIS Translated Text] The industrial policy program will be announced today in Aguascalientes. Its main point will be the formation of "industrial groups" (clusters) that will comprise small and large enterprises specializing in a given sector on a regional basis throughout the national territory.

Over the past few weeks, business leaders and Secofi [Commerce and Industrial Development Secretariat] have negotiated this document, which is called "Industrial Policy and Foreign Trade Program." It defines eight policy guidelines and a mechanism for a permanent consultation with the private sector in order to evaluate and follow up this program.

The economic opening "reduced the integration of national production chains. Insofar as enterprises participated in these chains, either as clients or suppliers, they lost ground due to foreign competition," the document points out, adding that it is indispensable to reconstruct industrial chains.

The program defines a set of institutional reforms and easier access to information and credit, but it does not contain a plan on tax or financial subsidies to support the industry.

The program states regarding financing that current guarantee plans will be revised and that financial programs will be undertaken to allocate resources to viable projects and the existence of confirmed requests instead of guarantees.

In addition, it is stressed that the National Finance Bank [Nafin] and Bancomext [National Foreign Trade Bank of Mexico] should encourage their first-tier operations, that is, directly with clients.

The establishment of agreements for promotion and reciprocal protection of investments [acuerdos para la promocion y la proteccion reciproca de las inversiones — APPRI] will also be encouraged. These are bilateral instruments whose fundamental objectives are to diversify the origin of and to promote the flow of direct foreign investment through medium-sized and small enterprises.

In the domestic market, actions will be intensified to enforce the Federal Law on Economic Competition in order to fight monopolistic practices by private and public enterprises.

Moreover, greater attention will be given to small and medium-sized enterprises because of their degree of vulnerability.

"Actions in sectors that are opening to competition such as telecommunications, railroads, and natural gas distribution, among others, require the establishment of conditions that facilitate the competition process," the program points out.

Toward a Competitive Program

The main objective of the industrial policy will be to create a worldwide competitive industry. The Industrial Policy and Foreign Trade Program includes permanent consultation mechanisms for its follow-up and evaluation with the participation of the federal government and the private sector itself.

1. Macroeconomic Stability and Financial Development

— To reduce risk to encourage long-term planning.

2. Improved Infrastructure and Human Resources

— To improve the supply of transportation, communications, raw materials, and electricity

— To encourage the participation of the private sector in transportation and telecommunications.

— To create a tax system that will promote industry.

3. Integration of Production Chains

— To develop industrial groups ("clusters")

— To create national information networks of suppliers

— To promote plans for subcontracting.

4. Improvement of Technological Infrastructure

— To develop the National Network of Centers for Business Competitiveness

— To encourage investment in machinery and equipment

— To stimulate the transfer of technology from abroad

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

— To constitute the Fund to Support the Development of Inventions

— To establish the Technological Innovation Award

— To improve consultants on quality systems

— To create the National System of Policy Quality to promote competitiveness.

5. Economic Deregulation

— To create the Agreement for Deregulation of Business Activity

— To improve the process for manufacturing NOM's [expansion unknown]

— To standardize certification policies.

6. Export Promotion

— To improve standards to support exports

— To increase the participation of Bacomext and Nafin as first-tier banks

— To increase the guarantees of development banking for commercial banking.

7. International Commercial Negotiations

— To strengthen the framework of standards for foreign trade

— To seek a larger opening of European and Asian markets.

8. Promotion of Competitiveness

— To strengthen the application of the competition law.

— To sanction disloyal trade practices

— Connection of information systems between customs and regulatory entities.

Source: Secofi

Mexico: Commerce Predicts 5-Percent Growth, New Jobs

PA1505214196 Mexico City LA JORNADA in Spanish 10 May 96 p 1

[Report by Patricia Munoz Rios — received via Internet]

[FBIS Translated Text] Commerce and Industrial Development Secretary Herminio Blanco Mendoza has said that the Mexican economy will no longer register "any more episodes of braking and starting" and explained that to guarantee this, the government will prevent, at any cost, another overvaluation of the Mexican peso's exchange rate. In addition, the government will maintain a "consistent" monetary policy and a sound fiscal policy, which will avert the emergence of another crisis.

Yesterday, the official gave a news conference, in which he also maintained that the Industrial Policy and Foreign Trade Program, which was disclosed this week, guarantees that as of 1997, the Mexican economy will grow at an annual rate of at least 5 percent and will generate approximately 1 million jobs per year.

According to Blanco Mendoza, the country is overcoming the crisis in a very effective manner, considering that since August 1995, all of the indicators have showed a gradual, but sustained recovery. Consequently, the economy is expected to grow next year at the rate predicted in the National Development Plan, that is, an annual 5 percent.

He noted that if the government maintains a steady economic policy and a real exchange rate and promotes the generation of domestic savings, "there is not a chance that we will experience another crisis as the ones experienced in the past and we will have a permanent and sustained growth."

He indicated that with the Industrial Policy and Foreign Trade Program, the Mexican Government has admitted that it must "help" the companies get an advantage vis-a-vis the international competition they have been faced with as a result of the opening "and not just rely on market forces."

The scenario of the domestic industrial sector and the international situation show that the government's role "is not only to open the economy or merely ask companies to be competitive, but to play an active role in helping them."

Hence, in the coming six months, a diagnosis will be drafted for each sector to evaluate individual requirements and in keeping with this, overall assistance packages will be given at the level of regions, sectors and companies.

Blanco Mendoza pointed out that all types of support will be granted, "we are not going to be orthodox." He added: "If the company requires financing or wants us to pay for consultant fees, for instance, we will do it. If it needs a reduction in tariffs or a speedier financing or easier terms, we will do it."

Moreover, the Commerce and Finance Secretariats and the representatives of the productive sectors reached an agreement that they will continue to work on the design of a new tax policy that promotes development.

In response to the criticism raised by the private enterprise on the "provisional nature" of the program,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Blanco mentioned that there is no way to ensure that the implementation of this industrial policy will extend after the year 2000. Therefore, it will be up to the productive sector to ensure that this program lasts and becomes more than just writing on a paper as other programs previously announced.

Answering questions by reporters — particularly, foreign reporters, the secretary said that the Mexican peso "is not overvalued" against the dollar and the situation will be monitored carefully to prevent this possibility.

The exchange rate must make the export sector competitive; consequently, the government will not allow an artificial parity as this is a fundamental variable in maintaining economic stability. This is particularly important, because the government plans to increase the number of export companies and eliminate the monopolization of this activity by a few companies.

Asked about whether or not the program includes price adjustments to promote the industrial sector's recovery, he replied that most products are not affected by price controls. "There are only a few products that are affected by price controls;" therefore, the rest of the prices are determined by supply ad demand, as well as the cost conditions of the companies. Regarding prices, "we must be realistic and acknowledge increases," the official maintained.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

El Salvador: FMLN Against Debt Pardon, Privatization Bill

PA1505154396 San Salvador CO LATINO in Spanish 10 May 96 p 3

[Report by Fidel Chavez]

[FBIS Translated Text] The Farabundo Marti National Liberation Front (FMLN) has voiced its disagreement over the pardoning of 70 percent of the agrarian debt and the privatization bill submitted by the Presidential Commission for State Modernization. Deputy Roberto Lorenzana said that the government's proposal fails to solve the peasants' problems, and FMLN bloc chief Orlando Quinteros affirmed that the privatization bill submitted to the Legislative Assembly fails to meet legal requirements.

The FMLN bloc chief believes that the aforementioned bill is nothing more than "some philosophical market ideas and intended to have the Legislative Assembly sign a blank check to the executive branch to do away with the Salvadorans' patrimony." In this regard, Quinteros, on behalf of the FMLN, asked the Presidential Commission for State Modernization, which Alberto Mena Lagos heads, to include in this bill a framework of an honest and healthy process in which institutional free competition will be forged.

He explained that this issue must contain a law on the defense and promotion of free competition and the creation of a national economic prosecutor's office, a preventive commission that will regulate unfair competition, and a free competition court. Likewise, Quinteros said it was necessary to draft a strategy and a complete plan for state modernization, in which the independence of the Central Reserve Bank of El Salvador will be contemplated to guarantee state policies implying respect for banks and the state apparatus. In addition to this, he added, a contract law and a general outline for privatization regulations must be drafted.

As for the government's proposal to pardon 70 percent of agrarian debts, the FMLN voiced its concern about it and said that it disagrees with both the percentage and content. Lorenzana pointed out that the pardoning of this much of the debt was approved thanks to the pressure peasants exerted. However, he went on, it fails to solve the peasants' problems, because debtors cannot make payments and because there is no agrarian incentives policy.

Nicaragua

Nicaragua: VP Candidate Says FSLN 'Honors Its Obligations'

PA1605041096 Managua BARRICADA in Spanish 14 May 96 p 8

[By Carlos Garcia Castillo]

[FBIS Translated Text] Juan Manuel Caldera Lacayo, vice presidential candidate for the Sandinist National Liberation Front [FSLN], urged private producers to join the economic reactivation efforts, promising that his government would give priority to supporting and protecting the production sector should it win the October elections.

Caldera Lacayo, a cattleman whose property was confiscated by the Sandinist government, reaffirmed during an appearance on Radio Ya's program, "Playing Fair," his "faith and certainty" that the FSLN is a party that honors its political obligations, and thus, it will fully comply with the terms of the basic agreement that he and Daniel Ortega Saavedra signed.

"I have faith in the FSLN as a party that honors its obligations, but Sandinism needs to recover credibility in order to win. That is why I am convinced the FSLN will assume the obligations it acquired with the producers," said Caldera.

Caldera also announced the establishment of a support group made up of producers from across the entire country with whom he will inaugurate his campaign headquarters. Caldera Lacayo's team will initially consist of 25 producers "who will assist me in drafting the strategy of a government that will make their needs a priority," he indicated.

The Sandinist candidate reaffirmed that his campaign platform, as a cattleman, will be based on a careful review of credit policies, interest rates, profitability, and the debt collection system, known as La Cobra.

Panama

Panama: ARI Administrator on Plans for Reverted Areas

PA1605042596 Panama City EL UNIVERSAL DE PANAMA in Spanish 12 May 96 p A-13

[Report by Edmundo Dante Dolphy]

[FBIS Translated Text] Nicolas Ardito Barletta, administrator of the Interoceanic Region Authority (ARI), yesterday highlighted the importance of the reverted areas for the sustained economic development of Panama,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

now that we are beginning a genuine process of privatization.

Barletta made a speech at the business conference organized by Citibank and the Inter-American Council of Commerce and Production (CICYP), called: "Privatization: the Argentine experience, the Panamanian challenge." This conference was held in honor of Argentine President Carlos Menem and Panamanian President Ernesto Perez Balladares.

Among the aspects to be considered in order to attain development are the modernization of the Panama Canal, the utilization of transit opportunities, and the rational use of reverted areas.

Regarding the modernization of the canal, Nicolas Ardito Barletta mentioned the existing alternatives, such as the widening of the Gaillard Cut and the possible construction of a third set of locks. The juridical-legal framework for the administration of the waterway once it is turned over to Panamanian hands is another important issue, not only for canal authorities, but also for users.

The ARI administrator explained that 35,000 hectares of land will revert this year in Panama City and Colon. He added effective and profitable investments that will increase exports and generate new jobs are expected.

There are four elements of development that must be taken into consideration to achieve an authentic and rational use of our infrastructure, namely:

Maritime Development

According to Ardito Barletta, the privatization of ports and the privatization of the railroad, together with other already existing container ports, such as Manzanillo and the one Evergreen Corporation will build in the Coco Solo area, could consolidate Panama as the main center for maritime transshipment.

Another aspect that could be exploited is service to in-transit vessels (repairs, supply of fuel, etc.), so as to generate new income.

Industrialization for Exports

With the beginning of the construction of the first export processing zone located on the former Fort Davis, according to the ARI administrator, Panama has the opportunity to export manufactured products to different points of the American continent. He remarked this represents an excellent advantage if we add the services provided by the Colon Free Zone and the current ports of the Atlantic sector and the one that is about to be built.

Tourism

In the Pacific area, specifically in Fort Amador, we have a master plan consisting of a shopping mall, the bid for which will take place next year; a container port; the construction of several hotels (four proposals have been made); and the possibility of promoting ecological tourism, taking advantage of the great biodiversity we have in our country.

City of Knowledge

This is one of the most ambitious projects, perhaps due to the scientific-cultural scope it involves. With this project, authorities hope to draw interest from some U.S. universities if they establish themselves here, in addition to the construction of a technological park.

The implementation of these strategies will make the reverted areas the pivotal center of sustained economic development Panama requires in a changing world, as we face the economic globalization.

Panama: ARI To Purchase Processing Zone Company

PA1505161996 Panama City LA PRENSA in Spanish 9 May 96 p 29A

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] The Cabinet Council has authorized the Interoceanic Region Authority (ARI) to contribute 50 percent of the authorized capital ($500,000) of the Sino-Panamanian Investment Corporation, which will administer the Fort Davis Export Processing Zone (ZPED).

This way, ARI will become a partner of the Taiwan Government in running the ZPED. The Taiwan Government, for its part, promoted the establishment of a private company called Overseas Investment and Development Corporation (OIDC), which will contribute the remaining $500,000 in capital to the company. The ARI funds for this company have already been assigned in this year's budget, according to the resolution of the Cabinet Council.

Last Monday, President Ernesto Perez Balladares and the Government of Taiwan signed a partnership agreement establishing the general cooperation guidelines for the establishment of the ZPED. By way of this agreement, ARI granted to the corporation the right to use 120 hectares and 80 housing units in the former U.S. facility of Fort Davis for the establishment of the ZPED.

In the first 30 hectares of area granted, investments estimated at $500 million will be made. Of these investments, the Taiwan Government will invest about

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

$10 million in infrastructure, and the remaining $40 million will be invested by the businessmen who establish operations in the ZPED.

In the second development phase of the industrial park, another 70 hectares of the concession will be used, in which area at least $50 million will be invested in works of infrastructure, buildings, and equipment. In this second phase, investments for $15 million will be made in housing for executives and personnel from the processing companies.

Once the concession ARI granted to the corporation expires (in 40 years), all these investments in buildings, improvements, and infrastructure — which have been estimated at $115 million — will be turned over to the nation, at no cost.

Panama: Minister Rejects Allegations of Recession

PA1505161796 Panama City EL UNIVERSAL DE PANAMA in Spanish 13 May 96 p A1

[Report by Blas Arrocha]

[FBIS Translated Text] Deputy Planning Minister Carlos Vallarino rejected allegations that the country is currently facing an economic recession and pointed out that evidence to the contrary lies in the number of new banks opening and the economic growth reported by several sectors, such as tourism, construction, and banking.

The official explained that Nation Bank recently decided to join the Panamanian banking system, which represents a new banking license, and that the International Bank of Peru is currently taking steps to fulfill membership requirements.

Vallarino stated that the number of tourists visiting Panama had increased and that expenditures in the sector had increased by 24.5 percent, consumption on board ships had risen by 45.7 percent, and that the number of air travelers has soared by 29.5 percent, which in his opinion means "that some sectors are developing."

The deputy planning minister commented on the "boom" taking place in the construction sector, especially in the building of five-star and other types of hotels, of which, 18 are practically completed, while several others are halfway built.

According to the government official, there has also been an increase recorded in the number of aquatic parks, apartment-type resorts, and approved concessions such as in Farallon beach, where several hotels will be built so that charter flights will be able to fly directly to the area.

With respect to seaports, Deputy Minister Vallarino also commented on the growth taking place in the sector where the Evergreen corporation is currently building the Coco Solo container port at an investment cost of 120 million balboas, as well as the ports of Chiriqui and Manzanillo.

He added that with regard to airports, several new airlines had decided to open offices in Panama, including Tame, and Ecuadoran airline that will be flying regularly to South America, the Mexican air cargo company Aeromex Express, and Eva Air Line. Vallarino also announced that the Dutch airlines KLM had decided to return once again to Panama.

The deputy minister stressed that the domestic airline COPA is currently engaged in negotiations with Continental Airlines, which is planning to globalize its operations.

Vallarino also called attention to the board of directors of the IRHE [Institute of Hydraulic Resources and Electrification] decision to approve, through the system of concessions, the construction of three hydroelectric plants valued at 50 million balboas.

He explained that the plants, which will be located in the provinces of Bocas del Toro, Cocle, and Chiriqui, will be managed by the private sector and will be selling electrical energy to the IRHE.

Panama: Measures To Stop Drug Traffickers' Airport Use

PA1505170096 Panama City LA ESTRELLA DE PANAMA in Spanish 14 May 96 p A2

[Report by Jacqueline Clarke]

[FBIS Translated Text] The Civil Aeronautics Directorate (DAC) has taken steps to control the use of the country's airports and air strips for the illicit trafficking of drugs. Said measures range from the cancellation of operation permits to the permanent suspension of pilots.

By way of Resolution No. 020-S.A-96, it has been ordered that the construction and operation of airports and runways in the national territory require the previous authorization from competent authorities. The resolution, which is signed by DAC Director Eustacio Fabrega, states that the DAC was forced to cancel one certificate of operations and seize several aircraft for their alleged involvement in drug trafficking.

The DAC may provide counseling on airport construction and may also order the closing of airports that, according to the DAC, do not meet the necessary security conditions. Every pilot and/or owner of an aircraft of any kind who wishes to land in unauthorized runways

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

or places, must provide the date, time, type of aircraft, as well as the Panamanian or foreign registration number.

Noncompliance with this resolution may result in the permanent revocation of the pilot's license or certificate of operations, according to the seriousness of the offense or its repetition, whether or not it involves a Panamanian or a foreign-registered aircraft, under the authority of DAC officials.

The use of airports and private runways may be totally or partially restricted by the DAC during wars or disturbances. It is also the responsibility of the DAC to oversee the efficiency of flights, so as to protect human life.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: 'Formal Complaint' Lodged With Brazil on Trade

PY1505194696 Buenos Aires CLARIN in Spanish 14 May 96 p 14

[Article by Eleonora Gosman, CLARIN's Sao Paulo correspondent]

[FBIS Translated Text] The Argentine Government lodged a **formal complaint before the Brazilian Foreign Ministry** on the evening of 13 May. In a letter, which was termed here "very cold," the Argentine Government demanded that Brazil **urgently settle** the conflict with its Mercosur [Common Market of the South] partner over Brazilian restrictions on the textiles trade.

The missive, which was personally delivered to Sebastiao do Rego Barros Neto, Brazilian Foreign Ministry secretary general, alerts to the fact that the barriers to the entry of textiles manufactured in Mercosur member countries into Brazil **violate** the essence of the Treaty of Asuncion, based on free "access to" the four member countries' "markets." With unusual harshness — particularly at this stage when everything has been plain sailing in relations between Argentina and Brazil — the Argentine diplomacy states that **"this is not the first time."**

Concretely, the Brazilian Government decided to stem the flow of imported textiles that damaged its industry and, in so doing, **it did not differentiate** its Mercosur allies from the rest of the world. It used the same yardstick across the board. It prohibited Brazilian importers from purchasing textiles abroad on credit and only gives importers **a 30-day deadline to pay,** cash down, for the goods they import.

In reply to a question posed by CLARIN, sources close to Brazilian diplomacy said: "**No final decision** has yet been adopted on this subject." As acknowledged in Brazilian media, the strong textile industry **lobby**, especially those of Sao Paulo and Santa Catarina, are opposed to imports of textiles and knitwear. Hering company, which is quite well-known in Argentina, is worried about a wave of imports of Chinese T-shirts and cotton garments, which will flood the market. Other large Brazilian companies are also **concerned** about imports of Argentine and Uruguayan knitwear, denim, sweaters, and underwear.

Sources close to Itamaraty (seat of the Brazilian Foreign Ministry) hinted at the fact that they were **taken aback** by the generalized restrictions imposed by Brazil on its Mercosur partners.

The course of action that should be taken **has divided** Argentine diplomacy. Some were intent on adopting a hard position, which finally prevailed, while others argued that this issue had to be settled by other alternative means, such as, for example, **empowering** the Argentine National Bank and the Buenos Aires Province Bank — which have subsidiaries in Brazil — to finance the purchases of Brazilian importers. In fact, this alternative has already been implemented.

Cautious opinions voiced from the Argentine Foreign Ministry also suggested that Argentina should refrain from lodging a protest against Brazil and only endorse Uruguay's stance. The Sanguinetti administration was the **first** to raise Cain concerning Brazil's barriers, and it uttered a severe threat — to block Mercosur's actions with other countries, such as, for example, the signing of a free trade agreement with Chile.

Argentina: Peru 'Trusts' Arms Deal Investigations

PY1505183896 Buenos Aires TELAM in Spanish 1544 GMT 15 May 96

[FBIS Translated Text] Buenos Aires, 15 May (TELAM) — Peruvian Congress President Martha Gladys Chavez Cossio de Ocampo today hand-delivered a personal letter written by Peruvian President Alberto Fujimori to President Carlos Menem. The Peruvian Congress president told the head of state that her country trusts in the investigations Argentina is conducting to elucidate the issue of the alleged third-party sale of Argentine weapons to Ecuador.

Senator Chavez stated: "We trust in the Argentine authorities' investigation" to clear up the issue of the arms deal, adding that "President Fujimori is awaiting the outcome of this inquest, but has not made any pronouncement on this."

Following her meeting with the Argentine head of state at Government House, Senator Chavez told journalists: "We have confidence in the word given by President Menem and Argentine authorities that they will elucidate and get to the bottom of this affair."

The Peruvian Congress president subsequently denied that there is concern in Peru about the subject of the arms deal, and in reply to a question about whether the Peruvian people feel "betrayed," Chavez said: "Peru is a peace-loving country that abides by international agreements. Our country greatly appreciates the solidarity existing between the Argentine and Peruvian peoples, which is not something recent, but rather goes back to a long time ago, and which we expect will be permanent."

The Peruvian visitor further stated: "The letter points out that what is going to be investigated here, and what is indeed being investigated, is whether there was a criminal transaction involving the diversion of weapons."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Commenting on an article published in the Lima newspaper LA REPUBLICA stating that Peru may have purchased Argentine weapons, Chavez observed: "The only thing I can say is that over the last few years, Peru has waged a very harsh war against terrorism."

The Peruvian Congress president went on to say that "from the standpoint of the Peruvian state, it was entitled — and indeed obliged — to equip its security forces with the necessary materiel. This is not tantamount to acknowledging that those transactions have indeed been made or that the information (published by the Peruvian paper) is correct."

"In any case, it is incumbent upon us to delve into that subject. Still, it goes without saying that this probe, as well as that into those countries deemed necessary, will be conducted according to our own domestic laws," she underscored.

The Peruvian Congress president made these remarks at the Hall of Busts [Salon de los Bustos] shortly before leaving Government House. She also said that it is not incumbent upon her to say when the arms deal affair should be elucidated, although she was of the opinion that it should be cleared up soon, as President Menem observed.

Foreign Minister Guido Di Tella; Interior Minister Carlos Corach; Deputy Foreign Minister Fernando Petrella; Argentine Ambassador to Peru Alberto Ulloa Elias [as received]; Alberto Kohan, secretary general of the Presidency; and members of Senator Chavez' entourage were present at the meeting between Menem and the Peruvian visitor.

Argentina: Camilion Denies Knowing of Arms 'Crime'

PY1605014296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1538 GMT 15 May 96

[FBIS Translated Text] Buenos Aires, 15 May (NA) — Defense Minister Oscar Camilion, referring to the scandal of the sale of arms to Ecuador, recognized today that "a crime occurred, but the government did not have the slightest idea about it."

Camilion faced a tough test today, just as the day before in the Senate. He was again required to answer grave accusations put forth by Chamber of Deputies Defense Committee members, before whom he again refused any government responsibility in the episode.

Radical [Radical Civic Union, UCR] Deputy Horacio Jaunarena summarized the feeling of opposition legislators when he sustained that "14 months have gone by and no one was found to be responsible, no one knows anything, and the Argentine image suffers the worst of discredits."

Jaunarena said "Ecuadoreans call us swindlers because the weapons were useless and Peruvians call us traitors and unreliable gauchos."

"The government only says that it did not know anything about the diversion of the arms shipment to Venezuela," Jaunarena said. Camilion answered that "the justice system has been handling the case for the past 14 months and justice takes time."

The minister took advantage of the opportunity to involve the UCR in the sale of arms to Kenya during the Raul Alfonsin administration, which ended up in Iran, a country then at war with Iraq.

"We are not revising the past," Frepaso (Front for a Country in Solidarity) Deputy Carlos "Chacho" Alvarez thundered demanding that the minister "assume the political responsibility for his negligence," instead of talking about past operations.

The meeting, however, was not as heated as expected because the minister started his testimony with a "historic" description of the arms sales process that lasted more than an hour.

In sum, Camilion denied all government knowledge of the arms diversion, ruled out any possibility of resigning until the justice system determines who is responsible for what he characterized as "arms contraband," arguing that "the state cannot be responsible for a case of swindle perpetrated by two private companies."

"We heard dangerous insinuations that are far from the truth," Camilion said. In this part of the debate Camilion was firm in his verbal confrontation with opposition deputies who insisted in promoting his political trial and demanded his "immediate resignation."

Jaunarena made a heated exposition and said that the government "built a chain of coverups" and that the grave episode was "a fantastic list of nonsense."

Camilion had time to announce that in the future the sale of arms will be "direct, without intermediaries," which he characterized as "a total revision" of current procedures.

Argentina: Camilion on Arms Fails To Satisfy Opposition

PY1505162196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0136 GMT 15 May 96

[FBIS Translated Text] Buenos Aires, 14 May (NA) — Opposition senators were not altogether satisfied with the explanations Defense Minister Oscar Camilion made

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

this evening of the Menem administration's responsibilities for the controversial sale of weapons to Ecuador, when the latter was involved in an armed conflict with Peru. To that effect, Radical Senator Antonio Berhongaray [UCR, Radical Civic Union-La Pampa] stated that the explanations given by the defense minister to the Senate [Defense] Committee, presided over by Justicialist Party Senator Eduardo Vaca, "proved that the executive's allegations that it was deceived are groundless."

Following the meeting, which lasted for nearly six hours, Berhongaray reported that in 1994, Camilion did not insist on his request for the resignation of Luis Sarlenga, former General Directorate of Military Industries [DGFM] trustee, because "pressures were exerted by high-ups." During the meeting, Berhongaray commented on the offer the Peruvian Government made to Argentina while the war pitting Argentina against Britain was raging, namely, the offer of Mirage airplanes and to act as front man for the purchase of Exocet missiles.

The line of reasoning followed by the UCR senator was taken up by the rest of the members of the UCR bloc in the Senate and by Senator Alfredo Avelin, from the San Juan Renewal Crusade, who exhorted the defense minister "to leave aside technical details and devote ourselves to salvaging the [Argentine] Republic." Avelin said: "We must approach this subject from a political standpoint so as to be able to respond to Peru's reproaches and Ecuador's demands."

Graciela Fernandez Meijide, Front for a Country in Solidarity [Frepaso] senator for the City of Buenos Aires, said, for her part, that senators should address themselves to the political aspects of the question "because the details about the weapons and cannons have made us all quite sleepy." Referring to Sarlenga's fulfillment of his duties, Fernandez Meijide said that the defense minister was responsible "for having named him and for failing to control the former DGFM trustee."

The cut and thrust of the debate in the committee was attentively followed by Peruvian Senator Xavier Barron, who did not hide his surprise at the reiterated requests made by the opposition to the effect that the defense minister should resign.

The stance of the opposition and of some sectors of the ruling party was partly summed up by Leopoldo Moreau, UCR senator for Buenos Aires Province, who told Camilion: "Congress finds itself in a paradoxical situation. Some of us want you to leave because you knew everything that was happening, while others want you to leave because you did not know anything [about the arms deal]. In sum, we are all in agreement [about the fact that you should leave]."

Argentina: Camilion Says 'Rot Will Be Stopped' in Arms Case

PY1505170296 Buenos Aires [illegible]TICIAS ARGENTINAS in Spanish 020[illegible]MT 15 May 96

[FBIS Translated Text] Buenos Aires, 14 May (NA) — Defense Minister Oscar Camilion asserted this evening that punishment will be meted out to those responsible for the illegal sale of weapons to Ecuador. Camilion stated: "The rot will be stopped — to the bitter end." Camilion thus replied to a question posed by San Juan Province Senator Alfredo Avelin (San Juan Renewal Crusade) about the names of those implicated in the sale of weapons that were bound for Venezuela but ended up in Guayaquil.

During the statement he made before the Senate Defense Committee, Camilion said: "Given the position in which I find myself, I cannot give you any names, but you may rest assured that the rot will be stopped; we will fight it to the bitter end, both in court and at the administrative level."

The defense minister pointed out that it is not his responsibility "to point his finger at Tom, Dick, and Harry [for the arms deal]." Instead, he praised the investigation the courts are conducting because "the leads are on the right track, and this affair will soon be elucidated."

Although he gave no more details, the defense minister stated that "there are a number of people, by no means few in number, who are implicated in this affair, which is essentially of a criminal nature."

The only person who Camilion said was linked to the controversial arms deal was Luis Sarlenga, former General Directorate of Military Industries trustee, although the minister did not openly make Sarlenga responsible for the affair. Camilion contended that Sarlenga — who has been indicted by a federal court — was the person who made the contacts with the intermediary companies Hayton Trade for the sale of weapons to Venezuela and Debrol for the transaction made with Panama for the sale of Argentine weapons that are suspected of having been diverted to Croatia.

Camilion was sparing in his responses to the senators about those who are liable for the illegal sale of weapons, since he adduced that judicial inquests are currently under way, presided over by Judge Jorge Urso (criminal court) and Judge Marcelo Aguinsky (court dealing with economic crimes).

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bolivia

Bolivia: Politicians Said To Ask For Military 'Declarations'

PY1505211696 Madrid EFE in Spanish 1747 GMT 14 May 96

[FBIS Translated Text] La Paz, 14 May (EFE) — In a document released in La Paz today, the Armed Forces accused the opposition parties of being intent on military institutions "departing from their constitutional duties" and yearning for "old antidemocratic practices."

In an official communique, the Armed Forces also pointed at "former ruling" parties as the perpetrators of the alleged conspiracy against military institutions. After delivering the communique to local media, efforts were made to retrieve it to prevent its dissemination.

The Office of the Commander in Chief reported over the weekend an alleged conspiracy against military institutions by political parties linked to extremist groups that gave rise to a wave of criticism by political leaders who asked on 13 May for a detailed explanation on the military allegation.

This request was met with another communique issued by the Office of the Commander in Chief, pointing out that "former ruling parties" have systematically asked the military institutions to express their stance on the enactment of laws and on foreign policy, "fully aware that the people elected a democratic government."

The communique points out: "It makes one ponder that groups with extremist leanings now conspire in an attempt to have the Armed Forces depart from their constitutional duties, asking for 'declarations' that are incumbent upon a civilian government."

The communique adds that the current military leadership "has dismissed old antidemocratic practices for which a civilian popular minority could possibly be yearning and making efforts to have the Armed Forces take actions that in no way are part of the Armed Forces activities."

The communique was faxed to various local media offices, but shortly afterwards the Office of the Commander in Chief Public Relations officers personally went to these media offices to retrieve the communique, which, they alleged, was sent by mistake.

In the opinion of political experts, when the military communique specifies "former ruling" parties, it alludes implicitly or in a veiled manner to [former President] Jaime Paz Zamora's MIR [Movement of the Revolutionary Left] and [former de facto President] Hugo Banzer's Nationalist Democratic Action (ADN). These two parties and the ruling MNR [Nationalist Revolutionary Movement] party have been governing since the restoration of democracy in 1982: (1982-1985 MNRI [Nationalist Revolutionary Movement of the Left]-MIR; 1985-1989 MNR-ADN; and 1989-1993 MIR-ADN).

The latest military communique has given rise to new and harsher criticism of General Reynaldo Caceres, the Armed Forces commander, who has been accused of "wearing the MNR," the acronym for the ruling Nationalist Revolutionary Movement, "gear" and hiding alleged acts of corruption in the Armed Forces.

Brazil

Brazil: Mercosur Ouro Preto Protocol Goes Into Effect

PY1505183696 Sao Paulo GAZETA MERCANTIL in Portuguese 13 May 96 p A4

[Report by Maria Helena Tachinardi in Brasilia]

[FBIS Translated Text] The Ouro Preto Protocol, which gives legal status to Mercosur [Common Market of the South], went into effect in Brazil on 10 May following publication in the official gazette of a decree signed by President Fernando Henrique Cardoso. Congress had ratified the protocol in December 1995.

The protocol, which was approved in Ouro Preto in December 1994, outlines Mercosur's institutional structure: the Common Market Council, which consists of the foreign and economy ministers of the member countries; the Common Market Group, the executive body; the Trade Commission; the Consultative Socioeconomic Forum, which consists of workers and employers; the Joint Congressional Commission; and the Administrative Secretariat.

Recognition of its legal status in accordance with international law will enable Mercosur "to sign contracts, to buy or sell both movable assets and real estate property, to litigate in court, to keep funds, and to make transfers." Mercosur may also sign international agreements either with individual countries or with blocs.

The new Administrative Secretariat, which is headquartered in Montevideo, will house the official Mercosur documents, will issue news bulletins, and will register national lists of arbiters and specialists who will be in charge of deciding on possible trade conflicts emerging among the four member countries: Brazil, Argentina, Uruguay, and Paraguay.

The decree signed by President Cardoso states that Brazil had already deposited the instrument of ratification of the Ouro Preto Protocol in Asuncion in mid-February.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Brazil: Government To Identify Foreign Trade Barriers

PY1605005196 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 May 96

[FBIS Translated Text] Industry, Commerce and Tourism Minister Francisco Dornelles has reported that the government wants to identify the restrictions imposed on Brazilian products abroad. The minister said that the objective of this task is to overcome such barriers and promote exports.

Dornelles emphasized Brazil's irreversible opening within the international community context, noting that all efforts will be made to increase Brazil's participation in international commerce. As part of these efforts, the restrictions affecting Brazilian products — quotas, dumping, countervailing duties, or any other type of piracy — are being identified.

[Begin Dornelles recording] We want to identify, in each foreign country, the barriers and the cause and reason for each one of them, trying to promote dialogue. In fact, it would be useless to make a great effort to increase exports, if a large portion of our products are taxed abroad. We have many times seen some unfair commercial practices by countries who are not WTO members, and who are invading Brazil, violating international trade rules. [end recording]

Dornelles added that he will not resort to force or retaliation to eliminate the restrictions. The contacts will be made through the Foreign Ministry, with the arms that the minister prefers to use: conversation and understanding.

Brazil: Senate Committee Approves Bill on Sivam Financing

PY1505185196 Sao Paulo AGENCIA ESTADO in Portuguese 1726 GMT 15 May 96

[FBIS Translated Text] A Senate special committee has just approved a bill authorizing foreign financing for implementing the Amazon Region Surveillance System (Sivam). The bill was approved by the majority vote of members of three Senate committees: the Economic Affairs Committee, the Foreign Affairs Committee, and the Supervision and Oversight Committee. President Fernando Henrique Cardoso and pro-government bloc leaders will meet on 16 May to set the date for the Senate floor to vote on the bill.

Brazil: Pro-Government Senators Defeat Human Rights Bill

PY1505185596 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 May 96 p 5

[FBIS Translated Text] Brasilia — Ignoring instructions from President Fernando Henrique Cardoso, leaders of pro-government blocs in the Senate have defeated a bill establishing that crimes committed by military policemen will now fall into the venue of civilian courts. This type of crime has always fallen into the venue of military courts. The bill, which was sponsored by Deputy Helio Bicudo (PT-SP) [Workers Party-Sao Paulo], would have been included in the National Human Rights Plan the president is expected to announce on 13 May.

Senators from pro-government blocs have opposed the Bicudo-sponsored bill and approved instead an amended bill that, in practice, would change nothing regarding the procedure for trying crimes committed by military policemen. The bill overwhelmingly approved by the senators yesterday provides that military policemen will stand trial before a civilian court only when the crimes attributed to them entail malicious (intentional) actions against a civilian's life.

Senator Roberto Freire (PPS-PE) [People's Socialist Party- Pernambuco] said: "That is absurd. A malicious crime is one in which the defendant has the intent to kill. Thus, it will be necessary to prove that policemen take to the streets driven by the intent to kill. It will be impossible to prove this." The innovation included in the amended version is that it includes both members of the Armed Forces and of the Military Police.

The antigovernment onslaught began to take shape early yesterday afternoon. Senator Jader Barbalho (PA) [Para], leader of the PMDB [Brazilian Democratic Movement Party] bloc, said: "We are not going to subordinate our action to the National Human Rights Plan." Aware of the mood prevailing in the Senate, Bicudo turned to Deputy Luis Eduardo Magalhaes (PFL-BA) [Liberal Front Party-Bahia] — president of the Chamber of Deputies — for help. Magalhaes then gave the following advice to Bicudo: "Ask someone to deliver a speech stating that President Cardoso wants the bill approved because it is part of a plan the administration is due to announce soon."

The mission to speak for the administration was assigned to PT leader Jose Eduardo Dutra (SE) [Sergipe]. Dutra stated that Bicudo had drafted the bill in cooperation with Justice Minister Nelson Jobim, that President Cardoso had endorsed it, and that the PFL and the PSDB had already passed it in the Chamber of Deputies. Aware

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that the Bicudo bill did not stand a chance of approval, a group of opposition deputies approached Senator Elcio Alvares (PFL-ES) [Espirito Santo], government leader in the Senate, and asked him to withdraw the bill from the voting agenda.

It was, however, too late for a withdrawal. The pro-government senators were determined to defeat the Bicudo bill. Visibly annoyed, Sen. Alvares said: "I had promised the president that I would seek a fast track procedure for the bill. Why should I withdraw that request now?" To sugarcoat their rebellion against the administration, Alvares and the other pro-government bloc leaders claimed that the approved version of the bill was better than that of the Bicudo bill.

Senator Sergio Machado (CE) [Ceara], leader of the PSDB bloc, said: "The amended version is excellent." He added: "President Cardoso did not ask me to vote for Bicudo's bill." The bill approved yesterday by the Senate will now be returned to the Chamber of Deputies, which will have to study it again.

Brazil: Agreement Reached on Cellular Phone Service Bill

PY1505211996 Sao Paulo AGENCIA ESTADO in Portuguese 2230 GMT 14 May 96

[FBIS Translated Text] Brasilia, 14 May (AE) — After overcoming the disputes between the PFL [Liberal Front Party] and the PSDB [Brazilian Social Democracy Party], the government today had no problems obtaining the approval of the bill allowing the private sector to exploit cellular phone services. Communications Minister Sergio Motta managed to have the bill approved by 315 to 101 votes, with seven abstentions. Despite some concessions to the PFL, the features of the approved bill are close to what the minister wanted.

The impasse was overcome in Planalto Palace during a meeting between the leaders of allied parties and government parties, who reached a consensus on the subject. It was agreed that for three years after publication of the law, the government would be empowered to impose a limit — of up to 49 percent — to the shares owned by foreign capital.

"In the cases in which it is justified by national interest," the government will be authorized to reduce foreign participation. The Communications Ministry will set the foreign capital control limit — from 0 to 49 percent — at each tender. Restrictions to foreign capital will be lifted after the three-year period.

This arrangement defeated the proposal of Deputy Arolde Oliveira (PFL-RJ), rapporteur of the bill, who advocated no restrictions on foreign capital from the very beginning. Motta, however, had to make the concession of the three-year period. "The justification of the executive branch is that it needs a percentage limit for negotiating over the world opening of the telecommunication sector at the World Trade Organization (WTO)," said Deputy Paulo Cordeiro (PTB-PR) [Brazilian Labor Party-Parana].

Another victory for Motta was that the bill made it clear that the Communications Ministry will perform the functions of the regulatory organ while the latter is not yet operational. The PFL managed to maintain the creation of the National Communications Commission (CNC), which will operate as the regulatory organ, and to give the executive branch six months to submit a bill creating the CNC.

Deputy Nei Lopes (PFL-RN) [Rio Grande do Norte], chairman of the Science and Technology Commission, believes that this article is "dangerous," because it paves the way for lawsuits claiming that the bill is unconstitutional. "The reform that eased the telecommunications monopoly gave the ministry no chances to perform CNC functions," he remarked. Lopes joined the coordination efforts that last week changed Oliveira's proposal, shortly before it was submitted to the Chamber of Deputies floor.

A third victory for Motta was to assign to the CNC the funds that will be collected in the tenders. "It is a lot of money, and it must go to the Treasury," Cordeiro contended. It is estimated that the tenders for cellular phone services on the B band will yield the government approximately 2 billion reals.

This was the only point in which Motta adamantly refused to make any concession. Through Deputy Jose Anibal (PSDB-SP) [Sao Paulo], Motta reiterated the position he upheld at the meeting at Planalto Palace a few hours before the bill was voted on.

Rapporteur Oliveira, who last week joined the coordination effort to change the proposal — he did not advise the PSDB — said he was "relaxed." "I feel at peace with my conscience," he said after a consensus was reached.

"Our effort aimed at improving the bill," Lopes emphasized. In the opinion of PSDB lawmakers, however, things did not happen that way. Without openly saying it, in order to avoid fueling the dispute with the PFL, some lawmakers said that the government "changed the course of events to its own benefit" and managed to maintain the points it wanted to keep in the bill.

Deputy Benito Gama (PFL-BA) [Bahia], the government leader in the Chamber of Deputies, who last week also joined the coordination effort about which Motta was so strongly irritated, today tried to sell the idea that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the incident was over. "It was a high-level negotiation, it was the best outcome for the party, for Congress, for the government, and for the country," he emphasized.

Brazil: Permit for Uranium Mining Seen by End of Year

PY1505161896 Sao Paulo AGENCIA ESTADO in Portuguese 1916 GMT 14 May 96

[FBIS Translated Text] Salvador, 14 May (AE) — Antonio Imbassahy, president of the Brazilian Electric Power Company, Inc., has revealed in Salvador that permission to exploit uranium mines in the counties of Caetite and Rio Real, in the southwest of Bahia State, will probably be granted before the end of the year. The cost of the project for exploitation of the mineral, which will be used to power the Angra dos Reis (Rio de Janeiro State) nuclear plants, is estimated at 23 million reals, and it will produce 300 tonnes of uranium per year. The Bahia State company Planarc is finishing a study to determine the potential environmental impact of exploitation of the uranimum mine in the surrounding area.

Exploitation of the Bahia uranium was discussed during a special session of the Mines and Energy Committee of the Bahia Legislative Assembly. Imbassahy and the president of the state-owned Nuclear Industries of Brazil (INB), Sergio Majdalani, attended the committee meeting. The two agreed that exploitation of uranium in Bahia has a number of advantages. One of them is that the Pocos de Caldas uranium mine, which is currently producing uranium for the Angra dos Reis plants, will produce uranium for only one more year. The other advantage is that, in addition to the fact that it is expensive to exploit uranium at the Itataia mine (Ceara State), the amount of mineral per tonne found in the mine is low and totals only some 400 grams. Studies conducted in the southwest region of Bahia State indicate that there is a nearly 100,000-tonne field in the region, that the mineral is easy to reach, and that it exists in a proportion of 3.5 kg of uranium per tonne.

Imbassahy said that the federal administration has adopted the political decision of finishing the construction of the Angra 2 and Angra 3 plants because abandoning the projects would represent great losses to the country. He defended the need to exploit uranium in Bahia State not only in order to supply fuel to the Angra dos Reis plants, but also because nuclear energy is very important from the technological viewpoint. "Sooner or later, we will have to resort to this type of energy in Brazil," he said.

Brazil: Reaction Muted to Social Security Reform Ruling

PY1505185296 Sao Paulo GAZETA MERCANTIL in Portuguese 10 May 96 p A9

[Report by Sandra Nascimento in Brasilia]

[FBIS Translated Text] Members of the Brazilian Congress reacted moderately to a Federal Supreme Court (STF) ruling stating that the social security reform bill is constitutional. Pro-government lawmakers chose to welcome the comfortable majority of votes cast by the STF members in favor of the bill; that is, 10 votes to one. They decided to postpone an analysis of the most controversial topic of the STF ruling; that is, that courts may issue restraining orders against internal decisions of the legislative branch.

Opposition lawmakers believe the president of the Chamber of Deputies and pro-government bloc leaders will have to be more careful in the future regarding internal regulations of the house; otherwise, legislative procedures may be contested before the STF.

Inocencio Oliveira (PFL-PE) [Liberal Front Party-Pernambuco], leader of the PFL bloc, said: "The ruling took us by surprise and it should be considered as a precedent. We are going to discuss this aspect with president (of the Chamber of Deputies) Luis Eduardo Magalhaes." Magalhaes declined to comment on the decision.

Deputy Michel Temer (SP) [Sao Paulo], leader of the PMDB [Brazilian Democratic Movement Party] bloc and rapporteur of the social security bill, said that the ruling entails a decision on a constitutional issue, not on the internal regulations of the Chamber of Representatives. In his opinion, the STF ruling cannot be considered an act of interference by the judicial branch. Temer added: "I want to analyze it more carefully; I want to read the entire text of the ruling. Yet, I believe the ruling will not create any problems." He noted that the decision "has cleansed my soul as a lawyer."

The STF ruling reversed a restraining order issued by Justice Marco Aurelio Mello nearly a month ago at the request of opposition lawmakers. The restraining order suspended a congressional debate on the social security bill based on the contention that the Chamber of Deputies had already voted on and rejected a similar bill earlier; that is, the one proposed by then rapporteur Euler Ribeiro (PFL-AM) [Amazonas], and that another bill on the same subject could not be submitted during the same legislative session.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The next step now would be to seek an agreement to reduce the number of separate voting amendments (DVS) and to start voting on the bill by 15 May.

Brazil: Government Lists Priority Bills for Congress

PY1605030396 Sao Paulo GAZETA MERCANTIL in Portuguese 10 May 96 p A9

[Report by Renata Verissimo and Cesar Felicio]

[FBIS Translated Text] The elimination of export tariffs will be withdrawn from the tax reform, and will be submitted to Congress separately for approval this year. "The idea is to pick up some tax reform topics that are less controversial and more urgent, and to submit them as bills," said Benito Gama (PFL-BA) [Liberal Front Party-Bahia], the government leader in the Chamber of Deputies, after a meeting with President Fernando Henrique Cardoso, Vice President Marco Maciel, eight ministers, and leaders and deputy leaders of pro-government parties.

"We will also pick up the elimination of taxes on basic basket products and on farm inputs," said PFL leader in the Chamber of Deputies Inocencio Oliveira (PE) [Pernambuco]. Selection of those tax reform topics will be necessary because it is the reform that has been affected by the longest delay in the Chamber of Deputies. The reform is back on the government's agenda. During the meeting, it was noted that with the most optimistic hypothesis, the reform will be voted on at the Special Chamber of Deputies Commission in June, and will be submitted to the floor in the second half of the year, during which there will be no congressional work because of the municipal elections scheduled for October.

During the meeting it was decided that the social security reform would be the government's top priority in Congress. The debate on the approximately 100 requests for evaluation of individual reform topics will start on 15 May. The government estimates that the Chamber of Deputies' floor will complete the voting on the reform in four or five sessions. Inocencio Oliveira reported that on 14 May, government leaders will again meet with Political Affairs Minister Luis Carlos Santos, in an effort to reduce the number of requests by 50 percent.

The draft bill regulating the presentation of requests for individual evaluation (DVS) of constitutional amendment topics comes next in the government's list of priorities. The objective is to prevent the tax reform from receiving as large a number of requests for individual evaluation as the social security reform.

Government Priorities

— Requests for Individual evaluation of the social security reform.

— Bill regulating the presentation of requests for individual evaluation of reform topics.

— Administrative reform.

— Regulations of economic measures like the end of the petroleum monopoly.

— Temporary labor contract.

— Law of strikes.

— Elimination of rural labor taxes.

— Tax reform (elimination of export tariffs and of taxes applying to basic basket products and to agricultural inputs).

Colombia

Colombia: Committee Chairman's Draft Ruling Exonerates Samper

PA1505214096 Santa Fe de Bogota EL TIEMPO in Spanish 15 May 96

[Received via Internet]

[FBIS Translated Text] In a rough draft ruling, the president of the Investigation and Accusations Committee of the Chamber of Representatives has said that none of the crimes that the prosecutor general has blamed the president for have been proved. Representative Heyne Mogollon, who since 1 August 1995 has been in charge of the case file described as the political trial of the century, will propose that the Chamber of Representatives exonerate President Ernesto Samper of all responsibility.

Yesterday Mogollon left practically ready a 59-page draft resolution in which he states that none of the four crimes the prosecutor general of the Republic accuses the president of has been proved, and therefore the Chamber of Representatives has no option other than to declare the case closed.

His opinion is shared, in general terms, by Representative Eliecer Meneses, a member of the investigative triumvirate, who, nevertheless, reserved the right to prepare a study with different legal considerations from those expressed by Mogollon.

Rodrigo Arcila, the Conservative member of the investigative team, is said to have a different opinion, but will support these arguments during the upcoming debate.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Under these conditions, there seems no doubt that the triumvirate will present a draft that is favorable to the head of state, even though Arcila will formally abstain from voting.

According to Mogollon, the charges presented by the prosecutor general on 31 January are "atypical" when seen in light of penal law.

According to the prosecutor, Samper could be responsible for such crimes as illegal enrichment, concealment, swindling the state, and untruthfulness.

These charges are basically related to the entry of drug trafficking money into the campaign that led Samper to the presidency and for exceeding the amounts set for its financing.

The triumvirate coordinator includes the arguments of Attorney Luis Guillermo Nieto, who, in his closing statements, criticized one by one the charges and considered them nothing in light of the evidence collected during four months of preliminary questioning and a further four months of formal investigation.

According to the criteria of Mogollon and Nieto, there is no evidence whatsoever that Samper became rich illegally, in view of the fact that his assets in cash and his property in general have not increased before, during, or after the campaign.

Both insist that the obvious contradictions in which Santiago Medina and Fernando Botero — the two main prosecutor witnesses — have been caught make them the suspects for diverting the funds donated by the Cali cartel for their own personal benefit.

They also rule out the concealment charge, because they argue that contrary to what former Minister Botero has said, there is no documentary evidence or testimony to back the charge that Samper orchestrated a campaign to conceal evidence of his cartel links and to remove Alfonso Valdivieso from his post as prosecutor general.

According to Mogollon, the charge of swindling the state and untruthfulness, both linked to violating campaign funding limits, have no merit either, in view of the fact that the reports from accounting experts supplied by Valdivieso are inconsistent and in several sections contradictory.

Mogollon's observations on this stress the fact that the accounting experts took into account receipts that did not have signatures and which were used twice to justify separate amounts.

On this specific point, Arcila warns that Valdivieso-supplied evidence cannot be overlooked, which shows that the campaign used close to 14 billion pesos, even though the campaign officially reported 4 billion pesos to the Electoral Council.

What Lies Ahead

Mogollon's bill is not definitive, because it still has to pass through two filters.

It will first be submitted for consideration before the Investigation and Accusations Committee of the Chamber of Representatives, which is comprised of 15 representatives.

The commission may back or not back the proposed modification to the ruling, but in no way can it file the case, as this decision can only be made by the Chamber of Representatives plenum.

Once it is handled by the Accusations Committee of the Chamber of Representatives, the case file is then sent to the chamber plenum, which comprises 163 representatives.

The chamber plenum has 15 days to rule. During this time, it can add new evidence, order an expansion of evidence already available, and even summon witnesses to render their depositions publicly.

In sum, the Chamber of Representatives has three options: exonerate Samper and close the investigation, accuse him before the Senate, or return the case file to the Accusations Committee of the Chamber of Representatives to fine-tune its investigations.

Colombia: Serpa Says Committee Pressured To Condemn Samper

PA1505172396 Madrid EFE in Spanish 2355 GMT 13 May 96

[FBIS Translated Text] Santa Fe de Bogota, 13 May (EFE) — Colombian Interior Minister Horacio Serpa said today that the political investigators of President Ernesto Samper have been "pressured, intimidated, and threatened" against exonerating him on charges of receiving drug-related money for his 1994 electoral campaign.

Serpa told reporters in Bogota that he learned that the 15 members of the Chamber of Representatives' Accusations Committee, "have received threats and anonymous notes advising them to condemn the president."

According to the minister, one of these demands is "that Congress redeem itself (as an institution that administers justice) by sentencing President Samper."

Serpa referred to the objections of those who have voiced their disbelief that justice will be served, since

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

most of the Committee's members belong to Samper's political party, the Liberal Party [PL].

In December, the Committee closed an inquiry against President Samper considering the accusations "baseless" and stating that there was no conclusive evidence on the case.

PL Congressman Heyne Mogollon headed the previous investigation, and his work was harshly criticized. Mogollon is also heading the new investigation, along with fellow congressmen Jorge Eliecer Meneses (Liberal) and Carlos Arredondo (Conservative), following a complaint filed in February by Colombian Prosecutor General Alfonso Valdivieso.

In addition, the skepticism on Congress's role in this case stems from the fact that approximately 20 PL senators and representatives are being investigated for allegedly being wined and dined by and for receiving gifts from the Cali cartel, while several of them are under arrest.

The minister expressed his confidence that the legislative branch "will live up to the political and judicial responsibilities acquired from the beginning."

The three officials in charge of the investigation to ascertain the president's responsibility in the case will meet tomorrow to discuss their conclusions and will shortly submit a report acquitting or condemning the president to the committee's plenum.

Colombia: Chamber Said Pressured on Vote Against Samper

PA1505044796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 10 May 96

[Report by Eugenio Correa; from "The Midday Newscast"]

[FBIS Translated Text] Ramon Elejalde Arbelaez, member of the Political Commission of the Liberal Party [PL], today reported pressure from PL deputy director Luis Guillermo Giraldo to influence the vote on the process on President Ernesto Samper at the Chamber of Representatives.

[Begin Elejalde Arbelaez recording] The truth is that the PL National Directorate and the Central Political Commission last week agreed to allow Chamber representatives to vote with their conscience in the trial against President Samper, after analyzing the evidence in the case file.

The position of Dr. Luis Guillermo Giraldo is a forceful, high-handed position: Either we please him and vote the way he wants, or we stage a civic strike in the country and there is a civil insubordination. I believe this does not contribute to the peace and tranquility the country requires at this time.

The Chamber should be allowed to rule in accordance with the law, in keeping with the evidence in the case file, and not under pressure in favor or against the president. That is harmful; that is not good. [end recording]

Elejalde Arbelaez admitted that respect is needed for what everyone thinks about a decision of this nature.

Colombia: President Samper Defends Accused Ministers

PA1505222596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 14 May 96

[From the "The Midday Newscast"]

[FBIS Translated Text] In the next few hours, the unit of prosecutors should issue a ruling to the Supreme Court of Justice, defining the juridical status of the ministers. It will be decided whether or not they will be placed under the custody [aseguramiento] of authorities. In the hours preceding said ruling, the president has made statements regarding his associates. Gilbert Vega has the report:

[Vega] Thank you very much, Judith. Good afternoon to you and to all Caracol listeners. President Ernesto Samper Pizano has taken advantage of the swearing-in of National Tribunal Magistrate Fernando Alberto Castro Caballero to make the following statements on Interior Minister Horacio Serpa Uribe, Communications Minister Juan Manuel Turbay, and Foreign Relations Minister Rodrigo Pardo Garcia-Pena.

The president has vehemently defended his ministers' actions, both during the political campaign and while in the government.

[Begin Samper recording] I make these remarks with due respect, as president, for the autonomous decisions of courts but also standing by my principles. Based on these principles, I am morally bound to make remarks in favor of three well-meaning individuals, who have given the best they have to society, which is trying them today.

I would also feel eternally indebted to their families if, before any decision is made [words indistinct] as I do now for these devoted parents, who have in recent weeks spent hours of anxiety and anguish. After centuries of people being subjected to the arbitrary actions or whims of leaders, humankind obtained one of its most significant accomplishments. Government leaders and citizens must submit themselves to the previously established laws. No one, by oneself or by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

virtue of any principle or political objective, is above the law.

This postulate is especially valid regarding criminal matters, where what is at stake is nothing but liberty. Being subjected to a process that may result in the loss of the supreme good of personal freedom in a democratic system should only be the result of an objective assessment of evidence to enable the judge to determine whether an offense may have been committed. The offense must be clearly established by law. This principle is a guarantee not only for those who may in the future be involved in offenses but mainly for innocent citizens who cannot be considered offenders of nonexistent criminal laws, due to political passion or alleged or real moral campaigns.

The principle of legality regarding criminal matters continues to be, therefore, one of the pillars of our state of law, established practically in all our constitutions [words indistinct] Article 29 of the existing Constitution.

In the case of the ministers of interior, foreign relations, and communications, their involvement in a criminal process has been marked more by speculation generated by the biased testimony of one accused man than by evidence within a case file. There are no documents, testimonies, indications, or evidence of any nature compromising the ministers in offenses, which exist more in the media than in criminal investigations. The ministers were summoned to testify by the incriminating testimony of someone who has given enough proof to the country of his exceptional ability to lie and pretend. That same person has been able to effectively handle media sources to make accusations that do not correspond to what he, himself, declared to authorities.

One time, someone said he who lies once can lie a thousand times. In their questioning, the ministers explained to the prosecutors, each within their purview, the nature of their participation in the campaign. Their statements have been confirmed with documents or the versions of disinterested witnesses. Not even former Minister Botero has dared to make charges against them for illicit enrichment. A misinformed public believes that charges have been made against the ministers for increasing their personal estate. That is not true.

Nobody has dared to make such inaccurate accusations against the president or against the ministers. They may accuse us of illicit impoverishment, but they may never accuse us of ever receiving, taking, or accepting anything from anyone to benefit us.

They have not been accused either of having ties to drug traffickers or outlaws. No one has questioned their actions as public officials or their proven commitment to fighting criminal organizations.

Like the president, no minister participated in the administrative procedures of the campaign or the efforts aimed at obtaining compensation for electoral expenditures from the Electoral Council, nor did they order, advise, or recommend exceeding the spending ceilings in effect then. They did not order that the truth be [words indistinct] ceilings — supported in legal arguments that must be analyzed without biased estimations or assessments — exonerated the ministers are wrong.

The transparency of both their conduct and my conduct was broadly proven in the investigations of the case. That is why I have had my defense attorney extend this offer to the Chamber of Representatives, in spite of the decision of the Council of State: I am ready for my conduct regarding the repealed provisions to also be analyzed.

There is, then, no serious criminal charge against any of the three ministers, whom press reports place on the edge of prison. In short — I say this directly to the country — there is no solid grounds to charge the ministers with criminal actions. They have not acquired personal wealth. They have not dealt with drug traffickers or criminals of any nature. They have not concealed any offense, and no agreement was made to violate electoral laws.

None of them has stopped fulfilling, in his area, the guidelines outlined by the president and aimed at fighting drug cartels. They are three persons with an exemplary, honest, and clean record. It cannot be tolerated that they be considered now as criminals without having committed an offense. The principle of legality established in the 1991 Constitution and established in our Penal and Penal Procedure Codes is still in effect in Colombia.

Trying to accuse three prominent Colombians through the application of an (?analogy), expressly prohibited in our criminal legislation, will only contribute to increasing national confusion and will place them, in an unfair manner and in a way that injures democracy, on the same level as persons who have either trafficked with illicit substances or have obtained profits from that noxious business.

We are confident that if a fair trial takes place and retaliatory actions against them are not taken, the people will praise an act of justice with these three illustrious Colombians, who were subjected to a process without juridical grounds, a process that should have never begun.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Excuse me for these outloud remarks on a topic that surely deserved more discretion on my part. But it is painful for me, as president of the Republic, to continue to witness the spectacle I have seen these past few days: People betting, as if they were in a casino, on which of the three ministers would go to jail or which will be released. Meanwhile, no one or very few people care about their innocence, the effects on the country of any decision, or the pain of their families, as if the state of law was some sort of Roman circus. [end recording]

Colombia: Samper Statements on Ministers Said 'Irresponsible'

PA1605001596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 14 May 96

[Report by unidentified anchorman and journalist Carlos Barragan in Santa Fe de Bogota; from "The Latest News" newscast]

[FBIS Translated Text] [Anchorman] Other important news this afternoon deals with the controversy between President Ernesto Samper and Prosecutor General Alfonso Valdivieso. President Samper gave a speech in Narino Palace at noon today. He defended his three ministers — the interior, foreign relations, and communications ministers. He said that their involvement in Case 8000 has been marked by speculation from the media. President Samper said: He who lies once will lie a thousand times. Prosecutor General Valdivieso reacted this afternoon during his participation in lectures on Colombia.

[Barragan] That is correct, Eduardo. Prosecutor General Alfonso Valdivieso Sarmiento has stated that President Ernesto Samper Pizano has acted in the very daring and irresponsible way in all his term regarding the management of justice, because he tried to defend his ministers.

The prosecutor general said that the improper statements made by the president of the Republic are useless to his three ministers because they do not a need mediocre defense counsel. He also said President Ernesto Samper Pizano insulted justice. He added that legal proceedings were started against the three ministers because there were sufficient grounds for it. Hence, the Prosecutor General's Office cannot be disqualified.

[Begin recording] [Valdivieso] I believe the president of the Republic has acted most improperly concerning justice in all this process and throughout his presidential term. There has been undue interference, a deplorable spectacle that casts doubts on the Prosecutor General's Office in the most unfair way.

It has also proven to be useless for the ministers because they do not need mediocre defense counsels who fail to fulfill their role. All they need is their testimonies and their presence at the Prosecutor General's Office to support their behavior. The Prosecutor General's Office has acted, and will continue to act, according to the law and respecting the due process.

[Reporter] Did the president insult justice?

[Valdivieso] Undoubtedly, undoubtedly. I think he cannot refer to an investigation in those terms, because there were sufficient grounds for it. He cannot reject assessments that are, in fact, under way at this moment. I must also say he should not try to comment on issues that are definitely closely linked with cases that are being investigated by the Congress of the Republic, dealing with a legal probe that falls within congressional jurisdiction.

[Reporter] What is the worst thing he said...

[Second reporter, interrupting] Should he not abstain from commenting on cases in which he is being investigated by another institution?

[Valdivieso] It is not a matter of curtailing the president's opinions. It is a matter of asking him to show respect. A nation that finds itself in a situation like this cannot fail to react with astonishment in the face of statements that only create more confusion. I believe this is not the best service that the president of the Republic can render to the country.

[Reporter] What was the president's worst remark? You told Alvaro [not further identified] that he has said worse things.

[Valdivieso] I sensed that he accuses me of intervening in politics. I interpreted worse things, such as that which I already mentioned: He offended justice.

[Reporter] [Words indistinct] against ministers, not based on gossip [words indistinct] the president.

[Valdivieso] No doubt, it is never based on gossip. I think that the Prosecutor General's Office has acted based on the records of the case, on facts, on evidence, and on testimonies. It does not only involve a person the president now rejects in his statements, shortly after he praised that same person. The Prosecutor General's Office has acted based on elements that are sufficiently valid to make decisions according to the law.

[Reporter] Why do you think the president is assuming this position against the prosecutor general and the Prosecutor General's Office in this case?

[Valdivieso] I think he is making a big mistake.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Reporter] Will the Prosecutor General's Office change its action on the ministers' legal status because of what the president said this morning?

[Valdivieso] Obviously not. If the Prosecutor General's Office were to change it because of what the president said, we would be doing exactly what he unjustly accuses us of. The Prosecutor General's Office will continue to take legal action, regardless of what the president says, because there is no reason for it to stop being impartial and honest in its decisions. [end recording]

[Barragan] In conclusion, Valdivieso did not make any statements on the legal fate of President Samper's three ministers.

Colombia: Interior Minister Serpa To Be Held Without Bail

PA1605015396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 May 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 16 May]

[FBIS Translated Text] The country is in a state of tension. At any moment now, the fate of the three ministers involved in Case 8000 is expected to be announced. All eyes are focused on the Prosecutor General's Office. Reporter Fernando Ramos has this latest report.

[Ramos] Attention, the "National Newscast" has just learned that the Prosecutor General's Office will announce its decision regarding the three ministers in the next few hours.

Interior Minister Horacio Serpa is to be held [medida de aseguramiento] without bail. Communications Minister Juan Manuel Turbay and Foreign Minister Rodrigo Pardo are to be held with bail. The "National Newscast" reports that the decisions will be announced in a few hours, around 1800 GMT.

Colombia: Samper Condemns 'Unilateral Measures' at NAM Summit

PA1505203696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 15 May 96

[Report by German Teran and Roxana Payares from the International Conventions Center; from "The Midday Newscast"]

[FBIS Translated Text] [Teran] President Ernesto Samper criticized the neoliberal policy again, insisting that the model that must characterize the Nonaligned Movement [NAM] from now on should be based on the principles of productivity and solidarity. President Samper made this statement before some 79 foreign ministers of 79 NAM member nations.

[Begin President Samper recording] The pie of progress continues to be divided in slices for a few and crumbs for the rest. We continue to be widely divided, even if some neoliberals deny it, between (?rich) and beggars. [end recording]

[Payares] Today, the Colombian president condemned the unilateral measures adopted by countries and added that those measures often have an extraterritorial nature and therefore, constitute flagrant violations of the UN Charter.

[Begin Samper recording] [Words indistinct] hinder the commercial opportunities of developing countries. The extraterritorial implementation of domestic laws is a flagrant violation of the UN Charter and WTO regulations. Unilateralism has become the new name of imperialism. [end recording]

[Teran] Finally, President Ernesto Samper noted that interventionism should not be considered the magic formula to tackle the different challenges being faced by Third World and less privileged countries.

[Begin Samper recording] In light of the current trends of interdependence and globalization, no one can conclude that interventionism is the magic formula to tackle the most pressing issues affecting the entire international community. [end recording]

Colombia: Liberal Party Official Calls For Samper's Resignation

PA1205002396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 May 96

[From the "National Newscast;" monitored from a retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 10 May]

[FBIS Translated Text] Attention: One of the members of the Liberal Party [PL] directorate decided today to turn his back on President Ernesto Samper.

Luis Guillermo Giraldo, a PL director and spokesman for Vice President Humberto de la Calle, joined the growing number of citizens calling for the president's resignation and even ta[illegible] about resorting to civil disobedience in order to force Samper into resigning.

He is joined by another well-known Liberal, Francisco Canosa, former member of the Accusations Committee.

This morning Senator Luis Guillermo Giraldo took part in a meeting and shared the same table with political

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and business representatives seeking President Samper's resignation. During the meeting his tone was nothing less than energetic.

[Begin Giraldo recording] I consider it my duty to be aware of what I am going to do the day after the Chamber of Representatives decides to acquit President Samper. If I have to turn to civil disobedience, then as a citizen, I will turn to civil disobedience. [end recording]

Giraldo also spoke about his future as part of the Liberal Party directorate in case Samper is acquitted by the Chamber of Representatives.

[Begin recording] I intend to continue with the PL national directorate. If tomorrow I have to resign, them I will simply leave. [end recording]

Also taking part in the meeting where Giraldo was the main speaker was Representative Francisco Canosa, who last week resigned as member of Accusations Committee.

[Begin Canosa recording] First of all, I would like to thank Gomez Hurtado for having invited me to this important meeting. [end recording]

The group of businessmen and politicians announced that tomorrow they would be taking part in a meeting in Bucaramanga where they expect to gather more support.

Colombia: Samper Replies to Businessmen Urging Resignation

PA1105204896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 8 May 96

[Report by Maribel Carrillo and Jaime Puerta in Medellin; from the "RCN Radio Events" newscast]

[FBIS Translated Text] [Carrillo] President Ernesto Samper said moments ago he will not resign in reply to an advertisement published today in EL COLOMBIANO newspaper paid for by Antioquia Department businessmen. This is what Samper said:

[Begin Samper recording] As I was reading this in EL COLOMBIANO, I received a letter from a friend from Barranquilla. He wrote: I have spent 15 years supporting you and your social project. I have lost sleep over the past year waiting for the outcome of the judicial process. I will kill you if you resign. [laughter]

I think this voice also counts. This friend from Barranquilla might not have enough money to pay for expensive advertisements in newspapers, but there are people in this country who think completely differently from the signatories of the advertisement published today. This is why I have maintained that, although resigning could be the best solution I could make, it would solve absolutely nothing at this time. [end recording]

[Carrillo] The president added he is being stigmatized, that he and his family, as well as the country, are experiencing the same situation that Medellin faced five years ago when everyone said its residents were drug traffickers. He urged the community to reflect on this, because he is working very hard for the country and its people.

[Puerta] Samper stressed the economy is performing reasonably well, and he added the slowing down in certain sectors is not due to the country's political situation. He revealed the economy will grow by about 4 percent this year.

Colombia: Police, Military Leaders Comment on Public Order

PA1005021096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 6 May 96

[Report by Maribel Carrillo in Medellin; from the "Latest News" newscast]

[FBIS Translated Text] Antioquia Governor Alvaro Uribe Velez, taking advantage of a visit by the defense minister and top military and police leaders to Medellin today, requested a larger fighting force for the department, which would mean at least 20,000 more policemen. Police Director General Rosso Jose Serrano Cadena replied as follows:

[Begin Serrano recording] We agreed with the minister and the governor to offer our support. There are two schools in the city, namely, the Estrella school and the [word indistinct] school, to try to keep these people in the department. We realize that there is a shortage of them in Medellin, but I think this is a national problem. As part of the institution's reorganization we lost more than 3,000 units. We want new graduates to offer a guarantee to society, to Antioquia, to Uraba, and especially to Medellin, which also needs heavy reinforcements. [end recording]

Gen. Rosso Jose Serrano Cadena also committed himself to support certain departmental police stations and barracks. Meanwhile, Army Commander Gen. Harold Bedoya Pizarro admitted that intelligence work has been ineffective in the fight against the guerrillas in Uraba, because massacres have frightened the population, and they are thus unwilling to cooperate effectively:

[Begin Serrano recording] They are frightened. It is very difficult to gather information in a frightened community. These groups, these cartels, because that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is what they are, cartels of the FARC [Revolutionary Armed Forces of Colombia] are aware of this. They have frightened everyone. Do not forget that they want to destroy Uraba because it is an international cocaine route and because it is Colombia's richest and most strategic region. They want to destroy this rich area of Antioquia Department and of Colombia to sow chaos in that region.

There is a problem here. You talked about intelligence, but of course, no intelligence work can be carried out because many people refuse to cooperate. Thus, we need to get much closer to the community to remove the fear factor. This is why I am so preoccupied with visiting the neighborhoods, talking to the people, and carrying out community campaigns, because they are the only ways to build the people's trust in their institutions. This is how we will be able to gather intelligence.

Intelligence work involves interrogations but we cannot conduct them, because the Constitution bans us from doing so. The duties inherent to the judicial police are part of intelligence work, but we do not have such duties. [Words indistinct] you should be proud of the Army you have, because without having the duties of a judicial police, we have captured about 120 terrorists so far this year and have inflicted 45 casualties on them compared to about (?105) casualties last year. This was achieved from June until now without having the duties of a judicial police. This was achieved thanks to the trust the community has in its Army. [end recording]

Regarding the cooperation required from the communities, Armed Forces Commander Admiral Holdan Delgado Villamil said:

[Begin Delgado recording, in progress] ...to the extent that we are all committed to this task. I mean the peasants, industrialists, merchants, and everyone who should cooperate with the public forces by reporting irregularities, where attacks are being planned, and the presence of persons who look strange or are foreign to the region. This is how they could cooperate directly with the public forces.

Moreover, extortion victims who pay extortion money, (?protection money), or [words indistinct], are, to a certain degree, cooperating with those people and allowing them to continue (?these activities). [end recording]

Finally, Defense Minister Juan Carlos Esguerra Portocarrero announced that thanks to the approval of the [word indistinct], the Army will soon receive 100 billion pesos to modernize aerial transportation. These resources will be obtained through loans. The entire program will cost 500 billion pesos and will benefit the whole country.

Colombia: New Measures for State of Internal Disturbance

PA1105045896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 7 May 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Medellin — Defense Minister Juan Carlos Esguerra has announced new measures within the state of internal disturbance to counter the acts of violence that are scourging the region of Uraba. A special security council was held in Medellin to analyze the circumstances surrounding the latest massacre of 16 people by rebel forces. Esguerra has indicated that the new measures, including the creation of a special zone for public order, will be unveiled in a few days, after they have been coordinated with regional mayors and authorities. Esguerra categorically rejected the proposal by Antioquia Department Governor Alvaro Uribe requesting to bring in foreign troops into the Uraba region, adding that it is unconstitutional. During a news conference, Esguerra stated that Uribe's good faith proposal is unconstitutional. He has indicated, nonetheless, that he will submit a plan to the National Congress requesting international aid in the areas of intelligence, military equipment, and communications.

In addition, Uribe said that he will seek the agreement of mayors from the municipalities of Uraba and other departmental regions on the feasibility of implementing the special zone for public order. National Police Director Rosso Jose Serrano promised to assign to Antioquia nearly 5,000 police agents, who are currently undergoing training at two training schools in Medellin.

Meanwhile, Army Commander General Harold Bedoya Pizarro has asked Uraba residents to provide additional information on the (whereabouts of the) perpetrators of the massacre. The civilian population, which should be the most interested in providing information, lives in terror. The people, therefore, are not giving authorities any leads on the incidents, Bedoya Pizarro said.

Colombia: Special Zones Under Military Control Established

PA1505042396 Santa Fe de Bogota EL TIEMPO in Spanish 14 May 96

[Received via Internet]

[FBIS Translated Text] The president accepted a request from the 4th Army Division and declared special zones in the municipalities of Vaupes, Caqueta, Meta, Guaviare, and Vichada Departments.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Guaviare, Vaupes, Meta, Vichada, and Caqueta Departments became part of the so-called public order special zones last night.

The decision was adopted by President Ernesto Samper Pizano's government with the issuance of Decree 0871 after studying a request from the 4th Army Division to the head of state.

The decree includes the signatures of Defense Minister Juan Carlos Esguerra Portocarrero and Interior Minister Horacio Serpa Uribe.

The government considered that criminal and terrorist organizations have consolidated their forces to destabilize citizens' safety and peaceful coexistence in those five departments.

According to the executive branch, these specific conditions in the region made it necessary to delimit it as a special public order zone, to enforce specific measures and counter the causes for this public order disruption and to prevent its effects from spreading.

This is the second region of the country to be classified as a special public order zone.

On Sunday, Antioquia Governor Alvaro Uribe Velez included the mining region in northwestern Antioquia, located between Remedios and Segovia Municipalities, in this category.

The governor accepted recommendations from military and judicial authorities, which predicted new violent incidents in the region, where paramilitary and guerrilla forces are currently carrying out actions to destabilize the zone.

The government adopted the decision to include Guaviare, Vichada, Meta, Vaupes, and Caqueta Departments in the category following a meeting attended by the president and the interior and defense ministers.

The special public order zones were created through Legislative Decree 0717, which was issued within the internal disturbance situation.

The decision was adopted three days after the FARC [Revolutionary Armed Forces of Colombia] massacred 32 military members on 15 April at Puerres (Narino).

The special public order zones, or red zones, are areas in the country where the military conflict tends to become radicalized, or where the state's weakness allows drug trafficking, subversive, or paramilitary groups to gain strength.

The creation of these zones is intended to deter violent actions by guerrilla groups and other outlaw groups.

Decree 0717 stated that the special zones will be established by the president of the Republic when they involve more than one department, as occurred with the 4th Army Division's request.

As a result of the decision, policemen and members of state security agencies which operate in those departments will be under the sole authority of the highest-ranking military commander in the area, to allow control of the operations.

The military commander is responsible for all the tasks carried out to restore order, and he should request the authorization of the president and the governors to enforce some restrictions, including circulation and residence rights, curfew; and restrict circulation along some roads, establish checkpoints, or demand safe-conducts for the mobilization of people outside municipal capitals.

Furthermore, the safe-conducts to carry weapons can be suspended.

The Army had requested that Guaviare be declared a special public order zone 20 days ago, when two children, four and five years old, died after they stepped on a booby trap left by the guerrilla forces in Calamar.

Military commands in the region argue that FARC subversives have mined at least three municipalities (Miraflores, Calamar, and El Retorno). Three people have been killed and 23 have sustained serious injuries.

Likewise, the Narcotics Police submitted a report to the Interior Ministry suggesting the evacuation of Miraflores given an increase in subversive groups and their alliances with drug traffickers.

The government will send copy of the decree to the state council so it can take control of the measure's legal aspects.

Colombia: Ex-President Gaviria on Brother's Release

PA0605182496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0310 GMT 6 May 96

[FBIS Translated Text] The most important news of the day has to do with the kidnaping of Juan Carlos Gaviria Trujillo, the brother of the current OAS Secretary General, Cesar Gaviria Trujillo. As we were saying, Radio Cadena Nacional learned a few minutes ago of the letter Cesar Gaviria sent in response to the letter that was sent by the clandestine group Dignity for Colombia Movement and that was made public on the afternoon of 5 May. This is the response we have from former President Cesar Gaviria:

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

5 May 1996

Dignity for Colombia Movement

Santa Fe de Bogota

The governments' actions are controversial by essence. In my case, all the actions to which you referred were publicly examined by Congress, controlling organizations, judges, and the media. No one found that a decision of mine had violated any laws whatsoever. The same goes for the investigations on my brother.

I am convinced of the honesty that must steer the conduct of public officials, and I am and will always be willing to explain my actions. Because you have doubts on my personal conduct, I make a proposal to you:

I pledge to hand to all the media my income tax returns and those of my family, siblings, uncles, aunts, brothers- and sisters-in-law, and parents, from the years before my election to this day, and I will subject myself to the investigations that may be conducted by all our authorities and the people you have suggested as being worthy of occupying the Colombia presidency: [leftist writer] Gabriel Garcia Marquez, [1974 presidential candidate and leader of the National Popular Alliance — Anapo] Maria Eugenia Rojas de Moreno Diaz, or the citizens they may choose.

My family and I will take this step of subjecting our family patrimony to public scrutiny to prove, as it indeed will be proven, that it is clearly clean if you promise, before the Colombian people and the personalities you mentioned, to release my brother immediately.

I hope you will find a fair, democratic, peaceful, and civilized solution to this affair.

Cesar Gaviria Trujillo.

Colombia: Gaviria Kidnappers Release Two Communiques

PA1205045096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 8 May 96

[From the "National Newscast"]

[FBIS Translated Text] Another news organization, Colmundo Radio, today received two new communiques from the Movement for the Dignity of Colombia, which is holding Juan Carlos Gaviria. In one of the communiques, the group hails OAS Secretary General Cesar Gaviria Trujillo's offer to release his income tax returns to the public. They have assured that if Gaviria's returns show no irregularities, they will release his brother.

The second communique was delivered to writer Gabriel Garcia Marquez, and signed by Bochica, alleged general commander of that organization. It made demands that were practically impossible to fulfill. It gives Garcia 10 days to get the value-added tax lowered, force the political class to resign, and eliminate the faceless justices.

Colombia: Uraba Patriotic Union Leader Killed in Medellin

PA1105035896 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 May 96

[From the "National Newscast;" monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 11 May]

[FBIS Translated Text] A few hours ago, Uraba Patriotic Union [UP] leader Oswaldo Olivo Agudelo was murdered in Medellin. This incident took place in a tavern in the downtown area of the Antioquia Department capital, where the leader has lived since threats forced him to move from Uraba.

The life of another UP member, Alderman Arsenio Cordoba, was spared because he was supposed to meet with the victim but had canceled.

Colombia: Military Involvement in Gomez Hurtado Murder Denied

PA1405204496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 13 May 96

[Report by Yerenda Jaines from "The Midday Newscast"]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso has disagreed with reports that the investigation into the murder of Dr. Alvaro Gomez Hurtado reveals that some soldiers are involved. He said that at this moment, the investigation by the Prosecutor General's Office has not revealed this, although he does not reject this possibility in the future.

[Begin recording] [Valdivieso] These reports that appeared today in the news are hampering the investigation. We are not going to contribute in that same sense, because I believe it is more important it to achieve results, not to report something that could, frankly speaking, affect [words indistinct] the results.

[Unidentified report] Will the murder go unpunished?

[Valdivieso] We hope not. The investigation is going very well.

[Reporter] [Words indistinct] in agreement with all the wire services that it has been inadvertently revealed by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Attorney General's Office that there are soldiers involved or at least being investigated?

[Valdivieso] No, I do not agree that there is any possibility of soldiers being involved and cannot make such assertions. [end recording]

Valdivieso also referred to the legal decision to be made by the Attorney General's Office regarding a certain minister involved in Case 8000. He said that the decision has not been delayed because of the decision of the state council on the campaign spending limits, but simply because the Attorney General's Office has not made a decision.

Colombia: Councilwoman Implicates Military in Attack

PA1005222896 Santa Fe de Bogota EL TIEMPO in Spanish 8 May 96

[Received via Internet]

[FBIS Translated Text] Having come out unharmed from an attempt on her life, Patriotic Union [UP] Councilwoman Aida Abella has stated that the military forces support paramilitary groups operating across the country.

Five hours after having been the victim of an attack in the northern part of the capital, Councilwoman Aida Abella Esquivel made a strong call on the national government to disband paramilitary groups.

The councilwoman, who participated in a meeting of the District Council's Government Commission stated that paramilitary groups are responsible for the attack and that she is certain that the military forces and, more specifically, Army Commander General Harold Bedoya, are supporting them.

Meanwhile, the Ministry of National Defense rejected the councilwoman's statements through a press release.

"One of the public force's fundamental responsibilities is to fight any form of criminal activity. As a result, it cannot tolerate nor protect any kind of organization outside the law or the Constitution," stated the comunique from the Ministry of Defense.

Abella is a member of UP, a political party that has seen over 3,000 of its members murdered in the past 10 years. For the second consecutive time she holds a seat at the Bogota Council, where she has distinguished herself for her critical stance and where, in the last few days, she has reported late night visits by armed men to Altos de Cazuca in Soacha.

During her District Council speech, Abella said paramilitary groups are protected by the military forces, otherwise "why have they not caught those who murdered 10 humble citizens in Segovia and went through three military checkpoints to reach Puerto Berrio. Why is it not possible to find those who repeated a massacre in the same town where in 1989 another terrible attack resulted in 44 dead and 38 injured comrades?"

The councilwoman said justice is serving war, not because judges cannot perform their duties but because the laws are made for impunity to reign.

"Faceless justice were not meant to fight drug trafficking, as Dr. De la Calle said in the Chamber of Representatives, but to fight political opposition in Colombia. This paper democracy does not allow men and women from its ranks to have different ideas. That is why they took away Gaitan, Luis Carlos, and Alvaro Gomez," she declared.

But that seems to be the national policy, said the councilwoman. "When the President called me this morning to voice his support I asked myself: What is he doing to disband the paramilitary groups?"

Colombia: Bateman Cayon Group Releases Journalist

PA1505222496 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 May 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT 15 May]

[FBIS Translated Text] [Anchorwoman Yolanda Ruiz] The Jaime Bateman Cayon Front has just released "National Newscast" correspondent Ana Lucia Betancourt, who was taken by the group on Friday.

The group sent a communique along with our journalist. We will go directly to our studios in Cali. Good afternoon, we welcome you back, Ana Lucia.

[Mabel Kremer] Good afternoon. We are very happy here in Cali over the release of our fellow worker Ana Lucia Betancourt, kidnapped by the Jaime Bateman Cayon on Friday. Ana Lucia, welcome back. We are very happy to have you with us, especially to see that you are well. Please tell us how you were treated and how you feel right at this moment.

[Betancourt] I was treated well, within the possibilities of being treated well in a kidnapping situation. I was given food. I was always told to keep calm. It is horrible, however, to be behind closed doors for so long, not knowing what may happen to you. I was very much afraid of an operation in which something could happen.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

I am very happy to be back with my family, my work, my fellow workers. I want to go on with my profession.

[Kremer] What explanation did you receive about your kidnapping, and why did they hold you for so long?

[Betancourt] They said that they chose me among several journalists and correspondents because of my work. They said they knew I could resist. They also said that they chose me because of the newscast for which I worked. They said it was because the newscast is broadcast nationwide, and they wanted the communique they gave me to be disseminated. They kept saying that they were going to release me the next day, and the next day, and the next day. They finally decided to release me. They kept saying that they were not going to hold me for long. Other days, they would say that they were going to keep me longer.

[Kremer] Well, Ana Lucia, welcome back. Through you, the Jaime Bateman Cayon movement sent a communique addressed to all Colombians. In this communique, the group proposes a national summit for a new political pact for peace. At this summit, the following topics would be discussed:

1. A general armistice.

2. Political reform.

3. The democratization of the economy.

4. Our nation's sovereignty.

According to the Bateman Cayon group, a multilateral cease-fire is needed in order to hold this summit for peace.

The guerrilla movement that held our fellow worker insists on the need to respect the norms of international humanitarian law in Colombia. In other words, the group wants civilians to be respected in the armed conflict.

Well, Yolanda and Maria Beatriz [the other anchorwoman] with this good news, we congratulate Ana Lucia and welcome her back to the "National Newscast."

Colombia: Liberal Party Ethics Council Suspends 36 Senators

PA1305145796 Medellin EL COLOMBIANO in Spanish 9 May 96 p 6A

[FBIS Translated Text] Santa Fe de Bogota (COLPRENSA) — Crispin Villazon de Armas took office as the new coordinator of the Liberal Party's Ethics Control Council and announced drastic and serious measures regarding investigations against liberal party members involved in the infamous Case 8000.

The former minister was sworn in in the presence of DNL [National Liberal Directorate] President Emilio Lebolo Castelltanos. His responsibility will be to handle the cases that the Ethics Council will review regarding the legal investigations being carried out by the Supreme Court of Justice against a number of legislators, and by the Accusations Committee of the Chamber of Representatives against President Ernesto Samper.

During the ceremony, Lebolo said that 36 liberal leaders had been punished with suspensions based on the Ethics Control Code adopted by the liberals in a recent national convention.

Among the most outstanding and controversial decisions made by the Ethics Council are the expulsions from the party of Cesar Perez and Jairo Ruiz, and the provisional suspensions of the attorney general and a number of congressmen.

Currently, expectations center on what will happen regarding President Samper.

According to Lebolo, the decisions have not been easy to make and have given rise to painful situations because individuals who have been active in the government party for many years had to be questioned.

However, Lebolo recalled that this task should be carried out firmly to restore transparency and credibility to politics.

Colombia: Government Appoints New National Drug Director

PA1105232096 Santa Fe de Bogota EL TIEMPO in Spanish 8 May 96

[From the "Politics" column: "Political Echoes" — received via Internet]

[FBIS Translated Text] Yesterday, the government appointed Joaquin Polo Montalvo as the new director of the National Drug Council, replacing Gabriel de Vega. Polo, who is currently an adviser at the Justice Ministry, was born on the island of San Andres, received his law degree from Javeriana University, and completed his post-graduate studies in Administrative Science at the University of Paris.

Colombia: Marketing of Gasoline, Gray Cement Restricted

PA1405042696 Santa Fe de Bogota EL ESPECTADOR in Spanish 11 May 96 p A-10

[FBIS Translated Text] Santa Fe de Bogota — The National Drug Council yesterday imposed severe restrictions on the transportation, marketing, and handling of gasoline and gray cement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

From now on, the Counternarcotics Police in Guaviare, Caqueta, Putumayo, Vaupes, Vichada, and Meta Departments will carry out actions to control the transportation and marketing of those legal products, which are often used as replacements for other products used to process cocaine.

Although initial ceilings of 220 gallons of gasoline and 200 sacks of cement were established and though owners were required to explain to the authorities the origin and use of these products, the council determined that local officials and the police should regulate these ceilings.

"It is very strange that large quantities of fuel and cement are stored by the tons in regions that have no roads and no prospects of large construction projects," Justice Minister Carlos Medellin said.

Colombia: Mining Region Declared Special Public Order Zone

PA1505204996 Santa Fe de Bogota EL TIEMPO in Spanish 12 May 96

[Received via Internet]

[FBIS Translated Text] Medellin — The mining region in northeast Antioquia, scene of guerrilla and paramilitary groups operations, will begin to operate as the first special public order zone in the country.

Antioquia Governor Alvaro Uribe Velez, responding to a request made by military officials in the region, issued Decree No. 2035 yesterday defining the territorial jurisdictions of Segovia and Remedios Municipalities as special public order zones.

The governor's decision, backed by Government Decree No. 0717, was put into effect yesterday when the commander of the Army's 14th Brigade with headquarters in Puerto Berrio took control of the area.

The officers had requested that the governor declare the two areas special public order zones because of recent incidents, such as the massacre of 15 persons of 22 April in Segovia by still unidentified persons that are allegedly from Remedios.

In addition, in making his decision the mayor took into account that the regional Technical Investigation Corps of the Prosecutor's Office (CTI) had detected that in the next few days guerrilla groups would allegedly carry out a new massacre in Segovia Municipality.

While warning the governor of this situation, the CTI reported that according to information gathered possible objectives were located in a street name "Paredon" and a business establishment in Margarita St. in Segovia Municipality.

Because of the aforementioned, the governor was forced to issue the decree. Meanwhile, he asked the municipal authorities of Segovia and Remedios for their understanding, trusting that declaring the area a special public order zone will help stop the violence in these municipalities.

As a result, the Army's 14th Brigade will set up fixed and movable roadblocks to keep a detailed register of persons entering and leaving the municipalities.

Safe-conducts for mobilization, which persons will have to wear in a visible place, will be given to people who frequently have to enter and leave these areas.

The decree also forbids traffic and the circulation of all kinds of vehicles and motorcars, including motorcycles, within and outside of the rural areas from 1800 hours to 0500 hours.

In addition, the movement of cattle will be restricted during the same period.

A special pass could be issued for private vehicles that need to travel during those times on account of a reasonable explanation, but will have to do so with the light inside the car on.

Additionally, official and armed forces vehicles and those of other state organizations will have to inform military authorities about travelling within that area.

All permits to bear weapons are suspended, with the exception of the Armed Forces, National Police, DAS [Administrative Department of Security] and the Prosecutor General's Office, during the enforcement period of the decree that creates the special zones.

Businesses' opening hours to the public will also be restricted from 2300 to 1100 hours of the following day.

After declaring Segovia and Remedios special public order zones, the possibility of applying the same resolution in Uraba is under consideration. The defense minister and high-ranking military authorities, who are attending an extraordinary council meeting on security in Medellin upon the massacre of 16 people in Turbo, recommended this measure.

However, the mayors and representatives for the communities in Uraba have rejected the proposal, as it will not benefit peace in the area; and on the contrary, could polarize civilians.

The Commission To Facilitate Peace and Coexistence of Citizens in Antioquia, promoted by the governor, sought solutions to the violent situation in the department, criticized the so-called special public order zones, because they are believed to bring no solution to the conflict.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the case of Uraba, over the past few days, the commission recommended continued insistence on "a dialogue with regional leaders of civilian society, the state, and rebel political-military organizations, so that with international support, a solution to the conflict is found."

Colombia: Samper Receives Low Ratings in Opinion Poll

PA1205172396 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 May 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT on 10 May]

[FBIS Translated Text] President Ernesto Samper is losing the people's support. According to an opinion poll that the National Consultation Center conducted for the "National Newscast", Radio Caracol, CROMOS magazine, and the "Caracol 7:30" newscast, most Colombians believe the country would be best served if he resigns.

The poll was conducted in 15 cities. The results proved unfavorable toward Samper. Many Colombians want him to resign even if he is cleared by the Accusations Committee.

Question: What would you prefer if President Samper is cleared of the charges? Answers: Let's have a national participation agreement and let him stay: 41 percent. Let him resign and let Humberto de la Calle assume office as president: 45 percent.

Question: Do you trust Samper? Answers: Yes: 42 percent. No: 54 percent.

Question: Does Samper care for you? Answers: Yes: 43 percent. No: 52 percent.

Question: Is it better for the country to have Samper continue and finish his term? Answers: Yes: 40 percent. Should he resign? Yes: 56 percent.

Question: Do you approve or disapprove of Samper's management of the crisis? Answers: 35 percent approved, 55 percent disapproved.

Question: What kind of image does Samper project? Answers: Positive: 43 percent. Negative: 57 percent.

In the poll, Samper also fared poorly with regard to the fulfillment of his government plan. The pollees tore him to pieces by rating his administration in general at 2.9 points out of a possible 5.

Now let's take a look at the poll by sections. We will start with the economy, where the president very definitely failed the test.

In the management of the economy in general, the president fared poorly. The pollees rated him at 2.7. Another of his pledges, that of ending unemployment, did not work out either. The pollees gave him a 2.3. In the management of poverty, one of his government's pledges, with the so-called Social Leap, he got a low 2.4. The Colombian people's dissatisfaction with the management of the economy does not not seem to be unwarranted, however. Although in his campaign he promised to create more than 1,000,000 jobs, there are 100,000 more jobless than in 1994. In the fight against inflation, he did poorly, too. In two years, he has not succeeded in reaching the Social Pact's goal. The cost of credit is sky high. Businessmen are afraid to invest because of the political crisis. The first signs of recession have begun to be observed. All of this has caused dissatisfaction among businessmen and, according to the Comptroller General's Office, the Solidarity Network, the flag program for the poorest, has not taken off.

If Samper did not fare well in the management of the economy, he fared just as poorly in the management of the guerrilla problem. Another flop, according to the poll. The pollees rated him at 2.3. The 15 cities polled are also of the opinion that the management of the guerrilla problem has failed. The outlook is not very encouraging. So far this year, the guerrillas have declared two armed strikes, have violently occupied 12 towns, and have killed more than 60 people. No peace talks are being held with any guerrilla group. The negotiations with the Bateman Cayon group, the only ones in progress, were broken.

The poll also asked the people how they rated Samper's administration on the drug trafficking issue. This is the only subject on which he made the grade, although barely. The pollees gave him a 3.1 out a possible 5. This rating could be explained by saying that this is the only area in which the results have been appreciable. The capture of the Cali cartel kingpins and the razing of more than 26,000 hectares planted with coca and more than 5,000 hectares planted with poppy are the most remarkable results in his struggle against drug trafficking. Nevertheless, the results of the program to substitute other crops for the coca crop, which was started one year ago, and the control of the laundering of money and assets, among other programs against drug trafficking, are yet to be seen.

Samper passed the drug trafficking test, but failed in city crime control, on which pollees gave him a 2.3. The people who live in big cities feel they are unprotected. According to official medical figures, there were 25,455 violent deaths in Colombia last year. At present, 70 people die every day as the result of violence. More than 80 percent of the violent actions are perpetrated by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

common criminals. In Santa Fe de Bogota alone there were 6,607 violent deaths last year. And we have to include the increasing theft of cars, robberies of banks and residences, and street holdups, all of which affects big cities.

In education, Samper's grade stayed below 3. He still does not make the grade. In the management of education, the pollees gave the Samper government 2.8. Pollsters say he did not reach 3 because the decentralizatin of education made municipalities responsible for the management and financing of education, and the municipalities lack the money. In addition, although the teachers themselves admitted that no previous government had allocated so large a budget for education in the country, the promised scope and quality goals have not yet been attained. Nevertheless, there is some expectation over the 10-year plan, an educational reform that exceeds the government's term.

Corruption is one of the subjects that Colombians regard as sensitive at present. Here he also fared poorly. The rating given to the management of the administrative corruption problem, 2.3, is one of the lowest. This grade can be explained by the innumerable times the president has been challenged, not only by individuals, but by government officials as well. The comptroller and the attorney general are being questioned for their reported ties with drug traffickers. One minister is behind bars, and several of Samper's associates are being investigated. Although the government has tried to deal with the situation with initiatives such as the Anti-Corruption Statute and the Transparency Plan, concrete results are yet to be seen.

Finally, the pollees were asked about President Samper's management of relations with the United States. The rating was 2.5. Adding up the grades he received on the subjects dealing with his administration, Samper definitely flunked his year.

This is the technical data on the poll: It was conducted by the National Consultation Center and included 1,200 people older than 18 years of age in the following cities: Santa Fe de Bogota, Medellin, Cali, Barranquilla, Bucaramanga, Cartagena, Santa Marta, Neiva, Ibague, Villavicencio, Pasto, Popayan, Pereira, Manizales, and Cucuta.

The poll was conducted over the telephone. The highest margin of error was 3 percent. The poll was conducted from 2 to 6 May 1996.

Ecuador

Ecuador: Candidates Agree on Seeking Peace With Peru

PY1505221296 Madrid EFE in Spanish
1732 GMT 15 May 96

[FBIS Translated Text] Quito, 15 May (EFE) — The Ecuadoran presidential candidates in next Sunday's elections coincide in their programs that they want a dignified and definitive peace with Peru over the border conflict.

The electoral programs of eight of the nine presidential candidates coincide in their commitment to seek a definitive solution to the border conflict with Peru, which led to three wars between the two countries in the last 50 years.

During the latest military conflict early in 1995, the two countries openly recognized for the first time the existence of a border conflict, a claim repeatedly made by Ecuador that found no response in Peru.

Also, the undeclared war waged last year made Ecuador accept that the 1942 Rio de Janeiro Protocol that established the border between Ecuador and Peru is in force but questioned its validity.

The presidential candidates who will defend the "inexecutability" of the Rio de Janeiro Protocol are retired General Frank Vargas of the Ecuadoran Revolutionary Popular Action (APRE) and Juan Jose Castello of the Democratic People's Movement (MPD).

Political and diplomatic representatives of Argentina, Brazil, Chile, and the United States (guarantors of the Rio de Janeiro Protocol), as well as of Ecuador and Peru have called on the Quito and Lima governments to find a solution to their disagreements so that they can reach the year 2000 without any border problems.

The majority of the nine presidential candidates have respected their commitment not to use the border conflict as a campaign issue, but they were not able to totally exclude this issue from their platforms because Ecuador and Peru are currently engaged in a peace process.

Therefore, the presidential candidates who hope to replace President Sixto Duran-Ballen on 10 August, have restricted their comments on the border issue but they insist on a sovereign outlet to the Amazon River.

Vargas calls for a "peaceful, equitable, and overall" solution to the border conflict and demands a sovereign outlet to the Amazon River.

Conservative, independent candidate Ricardo Noboa says he will seek a "dignified and permanent" peace

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

with Peru, and Rodrigo Paz of the Popular Democracy Party (DP, center right) feels the same way.

Paz says he will continue with the peace process based on the Itamaraty Peace Agreement signed on 17 February 1995 at the Brazilian Foreign Ministry, which was ratified in the Montevideo Declaration on 1 March 1995 that put an end to the military conflict.

The candidate with the best chances for replacing Duran-Ballen, according to the polls, is Jaime Nebot of the Social Christian Party (PSC), who says he will seek a "definitive, dignified, and sovereign peace accepted by the two countries, which in the case of Ecuador must be approved in a consultation with the people."

Nebot insists that the solution of the border conflict with Peru must respect Ecuadoran history and tradition but at the same time "it must respond to the pragmatism and realism of the circumstances and the country's demands."

Candidate Abdala Bucaram of the Ecuadoran Roldosist Party (PRE) says he will seek "that justice be done to Ecuadoran history and that a peace with dignity be achieved."

Bucaram said in his electoral campaign that when the fatherland "has permanent enemies on the watch (...), it will only be able to stand up if the legality of its territorial claim and superior spirit are accompanied by the minimum technological and material conditions to defend itself."

The peaceful and definitive solution are also the postulates of candidate Juan Jose Castello and independent candidate retired General Jose Gallardo.

Independent candidate Jacinto Velazquez is more creative and proposes the signing of a new treaty that would facilitate an Ecuadoran outlet to the Amazon River. Freddy Ehlers of the New Country Movement preferred not to discuss the issue, despite being attacked because his wife Maria de Lourdes Morelli is Peruvian.

Ecuador: 14 OAS Observers To Supervise 19 May Elections

PY1505183196 Madrid EFE in Spanish
0137 GMT 15 May 96

[FBIS Translated Text] Quito, 14 May (EFE) — A total of 14 OAS observers arrived in this capital today to witness the general elections scheduled for Sunday, 19 May, during which Ecuadoreans will elect conservative President Sixto Duran-Ballen's successor.

The delegation arrived headed by Colombian citizen Diego Paz, who, in statements to the media, said that "our mission is to observe the development of the elections."

Ecuador has been divided into large zones for the work the OAS observers will carry out: Quito, Guayaquil, Cuenca, and Ambato. The observers will visit some of the polling stations in these regions.

On 19 May the Ecuadoran people will choose from nine presidential candidates, among whom rightist Jaime Nebot enjoys the electoral preference, followed by populist Abdala Bucaram, businessmen Rodrigo Paz, and journalist Freddy Ehlers.

Ecuador: Economic Achievements, Social Costs Viewed

PY1505194896 Madrid EFE in Spanish
1103 GMT 14 May 96

[By Gonzalo Solano]

[FBIS Translated Text] Quito, 14 May (EFE) — The administration of conservative Ecuadoran President Sixto Duran-Ballen during the four years of government has been marked by neoliberal initiatives not always successful in the field of the economy and with high social costs.

The government that might emerge from the 19 May general elections will have to face the lack of credibility in the institutions and the economic recession that began during the last quarter of 1995.

That recession was the result of the war against Peru in the beginning of that year, the continuous rationing of electricity, and the political crisis unleashed by the scandal over the presumed unlawful use of discretionary funds by then Vice President Alberto Dahik, sponsor of the government economic plan.

This chain of events has forced the government to be dedicated more to "surviving" than to continuing with the policies initiated in 1992 and intended to stabilize the economy, modernize the obsolete paternalistic state structure, and facilitate an ambitious program to privatize state companies.

The executive branch Duran-Ballen will head until 10 August 1996 has termed "successful" the reduction of the inflation rate from 52 percent in 1992 to 23.7 percent last year, although it has not yet reached the established objective of reducing it to less than 10 percent.

According to analysts, another key government action was the renegotiation of the $7.5-billion foreign debt with international private banks achieved during the first days of May 1994, and later with the Paris Club

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

when conditions for payments within 30 years were established.

Nevertheless, the foreign debt renegotiation establishes payments that demand an economic growth of 5 to 6 percent. In 1995, however, the growth rate reached 2.7 percent; this has begun generating delays in payments to the Paris Club.

Economic analyst Alberto Acosta told EFE: "It involved negotiations spanning more than seven different periods of government, but the way things are developing, I believe Ecuador will have to think about renegotiating, although it has been said this will not be possible."

The government also managed to increase foreign currency reserves from $224 million in August 1992, when it assumed power, to $1.603 billion during the first days of this month.

Each of those apparent victories has been questioned by several social sectors that complain because they supposedly had to pay a high cost so that the government could improve the economic figures.

The average income of an Ecuadoran worker — approximately 300,000 sucres monthly ($96.77), an amount almost three times higher than the interprofessional minimum salary of 90,000 sucres ($29) — is sufficient only to cover one-fifth of a family's needs.

The monthly increase in fuel prices has had a direct impact on the prices of food and public transport tickets, and both have devastated the impoverished economy of the family.

Small and medium-sized industries that focus their production on the internal market complain about the fact that the reduction of inflation was achieved by maintaining high interest rates for bank credits, rates that run at approximately 60 percent.

Concerning the privatization program, it ended up in failure because there wasn't much to be privatized — fewer than a dozen companies, three of which went to private hands amidst criticisms and controversies. The Aztra company, for which the investors paid $100,000; the Ecuadoran Airlines, which was enduring a crisis but operating flights throughout the continent, and was sold for $40 million; and state shares of the National Cement Company were among the most important.

The next government will have to conclude the process initiated last year to privatize electricity generation and supply and telecommunications.

Another "inheritance" the new executive branch will receive is unemployment, which is holding at a rate between 8 and 15 percent, depending on the company that conducts the survey, while underemployment is running at approximately 55 percent, and the rest presumably is net exployment.

The Duran-Ballen administration has acknowledged that it will hand over to the new executive branch a budget deficit of approximately $200 million, an amount which represents almost one percent of the GDP, and which was caused by the unbudgeted salary increases granted at the beginning of 1996 in several public sectors.

Ecuador: HOY Urges More Specific Programs From Candidates

96SM0293A Quito HOY in Spanish 7 May 96

[Received via Internet]

[FBIS Translated Text] An enormous mass of undecided voters is preparing to make its electoral choices in the last stages of the campaign. This means that the candidates are obliged to offer specific programs and demonstrate their true qualifications in order to convince these voters.

Among these undecided voters there are qualified citizens who have not made their choices precisely because they are waiting for a candidate's programs to become clear and convincing and thereby win their personal support and their confidence, which will translate into a vote in favor of that candidate.

The election campaign has been dominated by image-making and theatrics and has failed to produce a genuine exposition of ideas and political and economic alternatives.

Each of the candidates, however, has been gradually revealing his or her characteristics, potential strengths, and weaknesses. However much some of the candidates may resort to prefabricated techniques or maintain ambiguous positions, little by little the true nature of the voters' options is becoming apparent.

The undecided voters, who have yet to be attracted to one or another program, are now attentively evaluating the candidates' presentation of their ideas on how the country should be governed, as are the voters who have already made their decisions but would like to further justify their vote.

Certain circles often make the mistake of underestimating the electorate, believing it to be naive and easy to deceive, when in reality the voters are measuring a candidate's statements or deceptions against their own interests and expectations.

Let us hope that during the remainder of the election campaign, the country will have the opportunity for a better understanding of the ideas advanced by all the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

candidates—some of which have been quite specific—so that the people will reach decisions that are well grounded and correct.

Ecuador: Former Allies Said To Cause Political 'Damage'

96SM0293B Quito HOY in Spanish 9 May 96

[Article by Thaila Flores y Flores: "What About the Anti-Nebot Front?"; received via Internet]

[FBIS Translated Text] It will in no way be an easy task for the Center-Left's representative in the second-round election to unite its forces to face the candidate of the right, who appears certain to be the front-runner in the first-round election 10 days from now.

The leaders of the larger parties in the Center-Left—the Democratic Left (ID) and the Popular Democracy Party (DP)—have attacked each other as never before in the present campaign, so that healing the wounds will be a difficult task for the party leaders.

Accusations that speak of ingratitude, are not devoid of opportunism, and go so far as to allege that certain individuals are conducting dirty campaigns and "are experts" in that field are an abomination when they involve people who at one time shared an ideology and governmental power.

Most Ecuadorans find it impossible to understand how former allies—people who for years took part in the political struggle and shared power as members of President Borja's cabinet—are today excoriating each other, which merely proves once again that in order to participate in Ecuadoran politics one must at least have a very thick skin.

The most serious damage, however, has been done to the skeptical Ecuadoran people, and especially to that very large segment of our fellow countrymen who for years marched with these former allies and are today probably convinced that party politics is nothing more than the interplay of special interests for whom democracy is merely a simulated contest to which the people are invited every four years while the exploiters remain in place throughout, although.... [as published; sentence unfinished]

Ecuador: 'Civic Maturity' of Electorate Noted

96SM0293C Quito HOY in Spanish 9 May 96

[Received via Internet]

[FBIS Translated Text] The present election campaign, which has already entered its final phase, is taking place in a positive atmosphere of peace and general respect.

Fortunately, our citizens have not had any incidents of violence or serious confrontations among supporters of opposing candidates and groups to regret. Moreover, there have been no official candidacies or government interference in the electoral process, and no action either for against any of the aspirants to the various high offices.

These facts deserve to be highlighted, and especially if we bear in mind the experience of other countries of Latin America as well as the political practice in our own country.

During the months of the campaign, the communications media have devoted ample space to disseminating the ideas and personality of the candidates, and to the exposition and analysis of the candidates' programs and electoral proposals.

On the other hand, our citizens have expressed in various ways their rejection of the personal attacks, insults, and violent utterances of the political campaign. This attitude has caused the candidates to moderate their language and their campaign speeches. All of this can be regarded as an encouraging sign of civic maturity.

On the negative side, however, the citizens are aware that some candidates spend huge, immoderate sums on their election campaigns. A open system of information concerning the origin and amount of the campaign expenses incurred by the various candidates would undoubtedly assist in strengthening the electoral process in the future.

A few days before the close of the campaign, Ecuador is hoping that the same atmosphere of calm and respect will be maintained.

Ecuador: Integrity of Electoral Board Questioned

96SM0293D Quito HOY in Spanish 30 Apr 96

[Article by Juan Pablo Moncagatta: "The Challenge Facing the Supreme Electoral Board"; received via Internet]

[FBIS Translated Text] If, as the polls indicate, second place in the 19 May elections will be hotly contested because of the scant differenc perhaps become the next president of Ecuador.hat will separate those who are competing for it, then it is time to be alert—or to get your antennas up, as young people say. A few thousand votes could make the difference, and that will bring into play the factors of seriousness, efficiency, and technical competence and, in short, the credibility of theday, Supreme Electoral Board [TSE] when it is a case of who will get to the second round and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Depending on who it is, whoever comes in third—if it is by only a few votes—is likely to cause an uproar by alleging fraud. If his allegation has a basisAlthough the present TSE has in Dr. Carlos Pardo Montiel a president who is equal to the task, not all the board's members offer comparable credentials, and at least one has a background that I regard as questionable: the individual who was a judge in the once famous Santay case and while serving in that capacity acted in such a way as to disqualify himself. That "judge," for example, was active in the presidential campaign of Leon Febres Cordero—as he was forced to acknowledge publicly—and lent his services to bolster the falsehood that the then candidate had concocted out of personal hatred and a desire for political profit. How did this individual make the leap to the TSE? Was it one of the mysteries of our Ecuadoran politics, or some more of Leon's handiwork?

It is bad for the democratic system to have justifiable doubts about one of the "supreme" judges of the elections, and it will be worse if in the near future there is controversy over the vote count. The moral authority of the TSE should be completely above suspicion with respect to the integrity of its members, whose life histories should be irreprochable. It is the favoritism and cronyism practiced by our political class that enables obscure and brazen individuals to attain very high office in the government.

Technical competence is also important, and in the most recent elections it left something to be desired. Thousands—tens of thousands—of citizens were unable to vote because of the unprecedented fact that they had been stricken from the voter registration lists—as I know from personal experience—whereas dead persons and minors did appear on the lists, supposedly by mistake and not bad faith. Tens of thousands of people have more than one identity card, names are omitted on the ballots, and who knows what else—all of which casts a shadow over a process that should be crystal clear.

To the possible errors of the TSE one must add the probable contradictions with unofficial reports. How is it that the various "exit polls" differ among themselves? And what does it mean if these "exit polls" or vote counts by news agencies differ from the official results? The question is not merely hypothetical: in the most recent election all this did occur and gave rise to controversy but did not become a major issue because no one much cared. Now, however, it is a different story: what is at stake is the power to govern for the next four years.

It would be counterproductive to reorganize the TSE at this stage in the game, but the board will be facing a challenge and should prepare for the interrogations that may take place. The first step would be to adopt an ample and satisfactory information policy. After the elections its reorganization should be considered.

Ecuador: Arms 'Scandal' Said 'Smoke Screen' for Peru

96SM0293E Quito HOY in Spanish 8 May 96

[Received via Internet]

[FBIS Translated Text] General Richelieu Levoyer, former Ecuadoran defense minister, has called the scandal over the purchase of Argentine arms a smoke screen that Peru wants to maintain in nly in Argentina and that "there is no reason for the commotion toert attention from more important and urgent matters.

"The story is being blown out of proportion," Levoyer declared on Gamavision's On the Air' National Newscast. "We only bought 8,000 rifles, and did so in an absolutely legal way."Britain in 1982.would

Levoyer explained that the scandal over the alleged illegal arams purchase is news o spread to Ecuador."explain the magnitude of the scandal in Argentina, whose government is accused of violating the neutrality that its role as a guarantor of the Rio Protocol obligated it to maintain during the Cenepa conflict.

The former defense minister gave assurances that the Argentine investigator who is coming to Ecuador to investigate the case will not be investigating Ecuadoran military personnel. He insisted that the procedure followed by the Ecuadoran military to acquire arms is one thing and the conduct of the Prodefensa firm something very different.

Levoyer emphasized that the arms that received so much publicity were merely 8,000 rifles, which were needed to enable the Ecuadoran soldiers to defend themselves against an enemy that is much more heavily armed. "We were aggrieved, moreover, by the fact that the final shipment of the rifles never arrived," he said.

In conclusion, the former defense minister said he regarded as a positive step the formation by the guarantor nations of the committee on arms purchases by Ecuador and Peru. "That would help to overcome our differences," he said.

Ecuador: Indigenous Groups Split on Ehlers

96SM0293F Quito HOY in Spanish 7 May 96

[Received via Internet]

[FBIS Translated Text]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Peasants Say No to Ehlers

Cuenca—As it has been saying ever since the announcement of the presidential candidacy sponsored by the New Nation-Pachakutik Multinational Movement, the Azuay Peasant Union (Unasay), which is affiliated with CONAIE [Ecuadoran National Commission for Indian Affairs] through Ecuarunari [expansion not given], will not endorse Freddy Ehlers for the 19 May elections. The Unasay leader Manuel Montero confirmed that Unasay has left the individual communities at liberty to make their own decision during the campaign. The possible advantage of endorsing a particular candidate is being debated at meetings held throughout the province. Montero also stated that Azuay's position has been explained at the National Assemblies.

Montero explained, however, that Unasay does not want to hurt Freddy Ehlers by campaigning against him—although it regards him as fully identified with the Democratic Left—but is only responding to doubts that arose during the march of 1 May, when the supporters of the New Nation movement led the march carrying large rainbow flags while Unasay marched behind them. "That arouses our indignation," he said. "What right do those who did not participate in the Indian revolt have to carry the huipala [translation not given]?" he asked. Montero also acknowledged that some differences arose because—as has always been the case—List 18 offered Unasay only third and fourth places although it already had its candidate picked for a first place on the slate for deputy. This leader—who is in charge of a potable water and irrigation project in the parish of Banos—also criticized Ehlers' connection with Rossana Vinueza because of her membership in Opus Dei.

Last week, Saraguro [not identified] leaders in Loja Province had informed HOY that they too were uncertain about the candidacy of Freddy Ehlers.

New Nation Movement Issues Denial

Manuel Cabascango, coordinator of the New Nation-Pachakutik Movement, declared that his movement—which is affiliated with Azuay—has not withdrawn its support for Freddy Ehlers.

According to Cabascango, the statements concerning the withdrawal of support were formulated by Manuel Montero, a former leader of Unasay, the CONAIE organization in the southern province.

"Montero's statements were his own personal opinions, and we respect them, but his position does not involve either CONAIE or Unasay," Cabascango explained, and again stated that his organization supports Freddy Ehlers. The New Nation coordinator accused the PSC [Social Christian Party] of taking advantage of the situation to publicize a supposed rupture.

Point of View: Playing Russian Roulette

Although the leadership of the Pachakutik Movement denies it, the southern Unasay's break with the candidacy of Freddy Ehlers is cause for concern. It comes against a background of old disputes within the indigenous movement that at one time, in years past, led to the existence of two factions within Unasay.

This denial saves List 128 for the moment, but leaves unresolved the question of the difficulties that the Indian movement has faced in its first electoral experience. Although the movement is at the present time acting in unison, it is not thinking in unison. An entire panoply of positions within the movement—ranging from total commitment to Freddy Ehlers to extreme mistrust and even opposition to the electoral alliance—will ultimately find expression after the 19 May elections. And that is logical. If there is diversity in Ecuador, there is diversity within the Indian peoples. The danger lies in the election results. If CONAIE does not at least elect its supreme leader, Luis Macas, to Congress, its internal unity could be shattered and its external authority diminished vis-a-vis a mestizo society that stands ready to strike down the indigenous organization.

In such a scenario, we can already imagine how the political power will react each time a CONAIE assembly is convened. It will deny that CONAIE is a representative organization, and it will seek—as has already happened in the past, even during the administration of the Democratic Left—to diversify the indigenous representation so as to leave CONAIE with only a relative hegemony, to the advantage of parallel organizations that stand ready to move in and take over the letterhead of the indigenous movement. In a sense, CONAIE is at this moment playing Russian roulette.

Ecuador: Uncertainty of First Round Outcome Noted

96SM0293G Quito HOY in Spanish 8 May 96

[Editorial by Ernesto Alban Gomez: "The Dilemma of the Second Round"; received via Internet]

[FBIS Translated Text] Almost on the eve of the elections, and at a time when observers believe a large percentage of the voters are still undecided, a question that has remained in the shadow during the campaign has resurfaced in the election debate, namely: If we determine the real prospects for each candidate to move on to the second round, what possibilities of winning do the potential finalists have, taking into account the several variants that could occur?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This kind of temporary neglect may have been caused because one of the elements of the hypothesis appeared to have been already decided in advance. The sizeable lead that Attorney Nebot has maintained over the other candidates had eliminated, until now, one of the factors of this unknown quantity, because it could even be inferred that he would also win the second round without much difficulty. One thing is sure: at the present time—because of the inexplicable legal ban on public opinion polls—we do not know exactly what the true situation is. I believe, however, that without violating the provisions of the law, some speculations of a different origin have been made public with regard to the possible alternative scenarios for the second round and the corresponding aspirations of each candidate.

Continuing along this same line of analysis, it seems quite obvious that the best option for Nebot in the second round would be to go against Bucaram, if we limit the analysis to only those candidates who have a real possibility of becoming a finalist. Although he has put on a final rush [preceding word in English] that is both impressive and threatening, Bucaram is also the candidate who provokes more resistance in important sectors of the country that will never vote for him and would sooner vote for Nebot even though he is not their favorite in order to prevent the victory of a candidate whom they consider to be absolutely unpredictable and unacceptable. In that case, Nebot could defeat Bucaram in Guayaquil as well as in Quito and in the mountains as well as on the coast. That is to say, under these circumstances Nebot would consolidate a very substantial nationwide victory.

The Ehlers alternative—if he makes it to the second round—could pose a greater problem for Nebot, because it could divide the voters of the coast from those of the mountains and reinforce the image of someone whose candidacy was more or less unexpected and has projections. The Ehlers candidacy, however, is extremely vulnerable on its flanks, not the least of which are the imprecision of his election platform and the heterogeneous character of the parties and groups that support him. When this candidate is subjected to persistent criticism and the need to take a stand without avoiding the issues, his ability to respond appears to be poor, as has already been demonstrated in recent weeks.

One does not need a crystal ball to realize that if Rodrigo Paz is the other finalist, the situation will be much more complicated for Nebot. Paz is the candidate who not only generates less resistance in the electorate as a whole but who also has a program that is politically, economically, and socially better balanced and can easily be accepted by very broad and diverse sectors of the Ecuadoran population.

Of course, the fundamental question that remains to be answered is: Who will go on to the second round? We may need the crystal ball to get the answer this time.

Ecuador: Costs of Election Rounds Noted

96SM0293H Quito HOY in Spanish 5 May 96

[Received via Internet]

[FBIS Translated Text] Guayaquil—The most recent allotment received by the Supreme Electoral Board (TSE) to pay for the first round of the elections is 20 billion sucres, which completes the total of 80 billion sucres that represents the cost of the elections, according to TSE President Carlos Pardo Montiel.

Pardo stated that the Finance Ministry originally provided 50 billion sucres for the elections, but following the impasses caused by the work stoppage of the TSE employees, the board received the additional sum of 10 billion sucres. The most recent allotment was 20 billion sucres to fulfill previous commitments including the acquisition of 180 microcomputers and machines using the laser system that made it possible to print ballots at high speeds.

Pardo maintained that the equipment the TSE had used since 1990 printed 30 to 38 pages per minute, whereas the new machines print between 350 and 380 pages per minute and thereby greatly speeded up this phase.

Second Round Expected To Cost 20 Billion

It is estimated that the second round election—to be held on 7 July—will cost 20 billion sucres.

Meanwhile, the publication of models via the communications media will be completed this week, that is to say, eight days before the election.

The TSE president also emphasized that responsibility for the election process had been transferred in part to the Armed Forces, which yesterday began delivery of election materials to the provincial boards, while the TSE is preparing to receive the representatives of the nations of America, Asia, and Europe who have been invited to attend the elections in Ecuador.

The information tables are already functioning in a number of cities.

In Quito, the citizens can go to the various tables to verify the location of their polling place.

Ecuador: Election Notes 5 May

96SM02931 Quito HOY in Spanish 5 May 96

[Received via Internet]

[FBIS Translated Text]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Nebot: No to Partisanship

Last weekend the Social Christian presidential candidate, Jaime Nebot, visited several cantons in Guayas Province accompanied by Heinz Moeller, candidate for national deputy; Mauricio Salem, candidate for member of the Guayas Provincial Legislature; and Rafael Estrada, candidate for member of the Guayas Provincial Council.

In the towns of Nobol, Daule, Santa Lucia, and Balzar, the Social Christian party members assembled in the streets and public squares to hear Nebot's speeches. He called on the other political parties to abandon partisanship and work together for the good of the nation.

Noboa and the Young Ecuadoreans

The candidate of the Liberal-Alfarist coalition, Ricardo Noboa, engaged in a dialog with the young people who were assembled in the national workshop of the youth organizations of Ecuador. "I have come here," he said, "to propose that you make proposals. My governmental platform contains a concrete program for young people, but my program is not a rigid program and is open to suggestions for strengthening it from the young people and all the citizens of Ecuador." He also offered to create a vocational start-up loan program to enable graduates to set up their own businesses.

Ehlers in El Oro

The presidential candidate of the New Nation Movement, Freddy Ehlers, made an extended tour of a number of localities in El Oro Province.

Ehlers was accompanied on his tour by the candidates for national deputy and by local leaders of the Democratic Left party. The candidate visited the towns of Machala, El Guabo, Puerto Bolivar, Santa Rosa, Huaquillas, Pinas, Zaruma, and Arenillas, where he was greeted by demonstrations of support and sympathy.

Paz Will Help Guayaquil

The candidates of Lists Five [words missing; as published], in the parish of Febres Cordero, headed by the presidential candidate Rodrigo Paz.

The walk began at 38th and A Streets and was joined by supporters who demonstrated their support by accompanying the candidates throughout the day.

"This walk has enabled me to know at first hand about your concerns and needs," he said. "I accordingly pledge to provide my full support from my office as president to whoever is elected mayor of Guayaquil."

Deputies

The Conservative Party is running the present deputy, Leonardo Escobar, for reelection, followed by Carlos Manzur, owner of the newspaper MERIDIANO.

The former deputies Cecilia Calderon and Julio Ayala are returning to politics under the banner of the FRA [Alfarista Radical Front]-Liberal alliance.

The former president of the Congress, Averroes Bucaram Zaccida, is returning to politics under the banner of the Concentration of Popular Forces (CFP) accompanied by the former deputies Nelson Franco and Rafael Santelices.

The Ecuadoran Roldosist Party (PRE) is running Fernando Rosero, former member of the Guayaquil city council, for deputy, and also former deputy Eduardo Azar and former councilmember Jose Salem, alias Suso.

Former Minister of Agriculture Alfredo Saltos Guale heads the list of candidates for the Democratic Left, followed by the former manager of ENAC [National Enterprise for Warehousing and Marketing], Milton Teran, and by former Minister of Industry Jacinto Jouvin.

APRE [Ecuadoran Revolutionary Popular Action] is running Difilo Vargas Pazzos, the brother of presidential candidate Frank Vargas Pazzos.

The MPD [Democratic People's Movement] is running Aracely Moreno Silva, the current chairman of the Social Affairs Committee in the National Congress, for reelection.

The DP [Popular Democracy Party] is also running Raul Patino Aroca, a former Socialist deputy and a leader in various sectors.

In the PSC [Social Christian Party], the list of candidates is headed by Deputies Isidro Prefecto Romero Carbo, a businessman and president of the Barcelona Soccer Club, followed by Deputy Rafael Cuesta, Franklin Verduga, and others.

Mayors

Leon Febres Cordero of the Social Christian Party, former president of the Republic, former national deputy, former president of the Guayaquil Chamber of Industries, and the current mayor, is running for reelection.

Alfredo Adum, a member of the PRE, formr provincial deputy and former provincial prefect of Guayas.

Alfredo Adum, a member of the PRE, former provincial deputy and former provincial prefect of Guayas.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ruben Loor, for the APRE [Ecuadoran Revolutionary Popular Action]. Little political experience.

Margarita Cedeno de Armijos, of the DP [Popular Democracy Party]. Former Minister of Social Welfare in the administration of Jaime Roldos.

Jorge Octavio Iturburo, for the MPD [Democratic People's Movement]. Also without political experience.

Walter Lorenten, of the Radical Democratic Movement.

Eddy Gonzalez, of the Independent Movement.

Luis Gomez, for the National Allliance. He is president of the Fedeeration of Suburban Districts of Guayaquil.

Prefects

Vicente Estrada, of the DP. Former minister of Public Works in the Jaime Roldos administration and former city councilman for the PRE.

Julio Guerra Accini, for the CFP [Concentration of Popular Forces].

Nicolas Lapenti, the current prefect of the PFC [expansion not given].

Independent Candidates for Deputy

Marcos Molina Jurado, physician and former singer at Los Corvets, running under the banner of the Latin American Popular Union.

Juan Jose Illingworth, former director of the INEC [expansion not given], running under the banner of the National Liberation Party, followed by the composer Caralos Rubira Infante.

Leonardo Torres Sarmiento, for the National Anti-Corruption Committee.

Washington Caamones Andrade, of the Radical Democratic Movement.

Abel Gonzalo Vizueta Maruri, of the Socialist Broad Front of the Left.

Jorge Sper Castro, for the National Union of Independents.

Alfredo Argudo Narvaez, for the National Alliance.

Eduardo Alvarez Gavilanes, for Independent Insurgency for Transformation.

Jorge Victor Cevallos Valarezo, for the Ruminahui Independent Movement.

Ecuador: Choice of Experienced Candidates Urged

96SM0296A Quito HOY in Spanish 13 May 96

[Editorial by Benjamin Ortiz Brennan: "Is a Positive Outcome Possible?"; received via Internet]

[FBIS Translated Text] When the television program that featured six of the nine candidates for president of the Republic and was transmitted by Cadena Sur to an international audience came to an end, I breathed a sigh of relief. Nobody had said anything outrageous. Several of the candidates made interesting proposals. In perhaps only one isolated instance did anyone attempt to personalize a question concerning the territorial issue, as part of the strategy in which one assumes the role of victim. In short, the international audience probably formed a good opinion of Ecuadoran politicians, or at least of what they said.

On the other hand, there is the inevitable concern as to why we vote not for candidates but against them, as Jorge Ortiz pointed out in his column of last Friday. The explanation is not difficult to find. First of all, the politicians have little credibility. The distance between what they say and what they do has always been very great.

Moreover, as a people we lack self-esteem. The phrase "only in this country...," which we customarily use in complaining about a traffic problem, a neighbor's behavior, or an action by a public official, reveals the presence of a social neurosis born of chronic dissatisfaction.

Our electoral choices are based on a perverse logic that travels along two roads: vote for the lesser of two or more evils, and then hope that the lesser evil will have some possibility of rising above a level that is absolutely unacceptable.

I have heard many undecided voters indicate—surprisingly, because it is a positive choice—that so-and-so is the best candidate but gets few votes, as if that were an incurable and disqualifying disease. They then change their minds, in order to support someone who has some possibility of defeating the candidate that they hate the most.

Does anyone understand this morbid and utilitarian reasoning? Why not vote simply for the candidate who appears to be the best? That is, if you are fortunate enough to identify him.

The Ecuadoran two-round electoral system creates a situation whereby the first round should be spontaneous and devoid of any calculations other than the search for the best choice. Only in the second and final round—rather than in the first round on 19 May, when there

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are nine candidates—can the principle of the lesser of two evils be advisable for certain voters: for example, a sincere leftist who finds himself obliged to choose between two right-wingers.

The highest offices of the state and the local governments—the president, vice president, mayors, and prefects—should be the culmination of political and personal careers. An important course to follow in making a positive decision will be to examine and compare the candidates' records. The Office of President of the Republic cannot be someone's first important office, unless he is a revolutionary leader such as Alfaro or Fidel, when the merits are present but pursue another course, which is not applicable to the present situation in which peaceful democratic elections are held.

Nor can one overlook the cohesiveness and quality of the team that surrounds each candidate. The task of governing is neither a solitary task nor a miraculous one. It presupposes a team that has the potential for internal harmony despite its diversity. It presupposes that it has a proven leadership in the person of its president. That will not occur with the likes of Sixto Duran Bellen, who sought out the heavyweights of the business sector to collaborate in his cabinet but was never able to resolve the internal conflicts that ultimately undermined and exhausted the presidential authority.

The election is being held in a context of globalization. In such a context, naivete or foolishness will prove to be very costly. Brazil, Peru, Chile, Argentina and any country that has been at all successful have known how to function over the medium term in their relations with the emerging nations. What is the program of each candidate concerning the world situation? That is another key reference point.

So there are indeed a number of angles that could enable next Sunday's election to produce a positive decision.

Ecuador: Nebot Seen as Most Able Candidate

96SM0296B Quito HOY in Spanish 13 May 96

[Editorial by Felipe Ribadeneira: "The Good, the Bad, and the Ugly of the Elections"; received via Internet]

[FBIS Translated Text] The ugly is Bucaram. Fortunately, he cannot become president. Bucaram, I hate you because...etc. But he could in fact make it to the second round. Either he or Ehlers. Abdala and Freddy are apparently tied, electorally speaking, and not until a week from now will we know who will win by a nose or by a chest, depending on what kind of racing mammal we want to use to construct the metaphor.

Innumerable discussions this week and the next as to who can defeat Nebot in the second round. Again assuming that the typically Guayaquilesque opinion to the effect that Bucaram has a chance is incorrect, it would appear that Ehlers and Paz could indeed win in a second round characterized by regionalism, even though this is not the most likely outcome.

The ugly—and also the bad—is the so-called Center-Left. The bad is the negativism that Jorge Ortiz has already cited last week: its lack of any programs, its hard-line standpattism, and its untenable statism all translate into a negative game plan whose only watchword is beat the right, as if that could be a national objective. There are no national concepts, only strategies for saving its own political skin. It is the Democratic Left transformed into a junkyard dog. It is a bad thing. If you don't think so, just ask Paz.

The Popular Democracy Party does not partcipate in that negativism, just as it basically does not participate in the Center-Left. On the contrary, it is a political center that I believe has begun to detach itself successfully from its ideological positions of the past. Paz is not the man for the job, however. The fact is that the polls—which now cannot be published—put him solidly in fourth place.

The ugly is to accuse Ehlers of being a Peru-lover. Just as it is to accuse anyone of being a this-or-that-lover, it is a low blow that is inadmissible in civilized political discourse. As far as I know, all he has done is fall in love with, and marry, a Peruvian citizen who is related to some members of the Peruvian diplomatic service. Neither the law, nor common sense, nor reason support his accusers. That is not what is wrong with Freddy.

And so we come to Nebot. He is the best. Once again, we have a political center that is only minimally ideologized, has clear-cut ideas, and has the ability and the political support to enable it to govern successfully. He is a strong person, in the best sense of the word. Even more than these strange accusations that he has an answer for everything—when we have already seen what happens when a president has no answers for anything, or when he is a lion disguised as a lamb, or when he is neither the one nor the other—what worries Nebot's party is a potentially explosive mixture of the good, the bad, and the ugly.

As for state terrorism, the invocation of the monstruous bloody images of a land laid waste have prevented a serious discussion of one of the problems that is most serious and most difficult for a modern state to solve, namely how to find an appropriate response to terrorism that threatens the state itself. Ecuador has not had this problem in recent times, although it does exist in latent form and is an equal threat for all parties.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Spanish Socialist Party and Felipe Gonzalez, for example, became hopelessly entangled in their efforts to find a solution.

It is bad that the attention of the public and the media has been focused on the presidential elections, and that there has been litle or no conversation, questioning, or confrontation among the candidates for Congress. No one is even speculating as to how the seventy-odd national deputyships will be distributed.

In the last analysis, however, it is good that there is going to be another democratic transfer of political power. It is good because despite the occasional exchanges of gunfire, the superficial and perhaps manipulative political advertising, and the costs that we as a nation have to bear in order to have free elections, it is only under a democratic system that we wish to be governed, because only in that way—albeit to a minimal extent—can we also be self-governing.

Ecuador: Election Notes 14 May

96SM0301A Quito HOY in Spanish 14 May 96

["Los Rios in a Pitched Battle"; received via Internet]

[Text] An authentic "pitched battle" was waged in Los Rios. The participants were representatives of lists 10 and 6: the Roldosist and Social Christian parties, which are fighting for first place in the preferences of the voters in Babahoyo.

This has caused a reawakening of hostilities in Babahoyo and most Los Rios cantons — where most electoral propaganda is yellow in color — and it is said that political passions have even claimed lives: the murder of a citizen from Baba canton and a number of wounded in Babahoyo and other cantons appear to confirm the rumors.

"It would be worthwhile for politicians to reflect on this," people comment, shocked by the fact that the two parties that are causing the violence are those that are contending for local office, especially in Babahoyo, Quevedo, Ventanas and Vinces.

As for presidential candidates, there could be surprises in Los Rios. Jaime Nebot maintains the lead — by a good margin — but a political triangle has been formed in second place between Abdala Bucaram, Freddy Ehlers and Rodrigo Paz.

Rumors

Another element is to be added to this landscape: in the last few days the figure of Ricardo Noboa, who might overtake Ehlers, has gained prominence. However, these are only speculations by inhabitants of Babahoyo, because the majority will decide how to vote at the moment of casting their ballots.

The speeches by Bucaram and Nebot — and to a lesser extent those of Noboa —are those that have had the most impact on people. It is said of Paz that he visited Los Rios one day, but few mention his name.

A "Civic and Responsible" Vote

For Babahoyo, matters are almost settled. People consulted by HOY believe it to be a "civic and responsible duty" to support the candidacy of Julio Touma for reelection as mayor, "for many reasons:" "he is respectable" and "with his presence he restored majesty to the municipal function, denigrated in previous administrations," meanwhile carrying out a record of accomplishment that no one can deny, it is said.

About Social Christian Jorge Yanez, candidate for mayor, there are many reservations. People believe him to be "an old politician who knows all the tricks" and who could come through a the last minute. "He is a tough candidate," they say.

Many believe that Roldosist Oscar Llerena conducted a rather negative administration as prefect of Los Rios. However, they admit that his candidacy for reelection has the advantages of the party that supports him.

Jorge Marun, candidate for the provincial delegation to Congress of the PRE [Ecuadoran Roldosist Party], is regarded as a man who is impassioned about the best causes of Babahoyo and the province, and he is believed likely to win the election. However, the election of Social Christian Antonio Andrade is not ruled out.

A third candidate for the national Congress, and who sounds somewhat familiar, is the independent Luis Almeida, who does not enjoy great support in Babahoyo, but does in other cities, such as Vinces, Ventanas and Baba, so that he could win enough votes to continue in Congress. Roldosist Mario Touma could be elected as deputy from the province because of the influence his name exerts, and the work of his brother, Julio.

No Predictions

The situation in Quevedo is not clear. The contest over the mayoralty is strong there, because the current mayor, ex-Roldosist Victor Hugo Silva Hoyos (now supported by Popular Democracy), is well liked, although Social Christian Eloy Muecay Bazurto and Roldosist Carlos Alberto Kure Montes "are not out of it," according to many.

It has been an extensive campaign that has won many votes, and everything leads one to believe that it will be

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

late on 19 May before the outcome is clear. No one is making any predictions.

The situation in Vinces seems to favor Social Christian Alberto Kujan Chia, but Roldosist Bonifacio Moran also has his supporters. However, some believe there could be a change this time and people could elect Eugenio Montece of Concentration of Popular Forces, who, with the support of "Guacharnaco" Luis Almeida, has held large nighttime rallies and has much local support. The result: "We shall see."

In Ventanas, the APRE [Ecuadoran Revolutionary Popular Action] may be in the lead, with its candidate for president of the council, Victor Ortega Cevallos, but Social Christian Cesar Borja or Roldosist Carlos Briones could pull ahead. It is said that in this canton, where many peasants live, people are tired of the traditional parties, and Vicente Palis Sanchez from the 2-14 Noboa 96 lists could be elected at the last minute.

Ecuador: Election Returns Commo System Detailed

96SM0301B Quito HOY in Spanish 14 May 96

["Information Network 'Option 96' Ready"; received via Internet]

[Text] Everything is set. After the simulated election conducted last Saturday [11 May] to test communications, the work of those responsible for the collection of data and the operation of computer systems, the Electoral Information System (SIE) is ready for Election Day on May 19.

The SIE, which consists of the networks Ecuavisa, Teleamazonas and Telesistema, together with the Ecuadoran Association of Newspaper Editors (AEDEP), is carrying out a great human, technical and economic effort to produce the most reliable information possible at the conclusion of the coming elections.

The process is based on a computer system of the Banco La Previsora, with the technical support of IBM, with a configuration that will allow the operation of remote terminals and other electronic equipment that will be located in the operations centers of Quito, Guayaquil, Cuenca, Portoviejo and Loja.

So that readers may be better informed, HOY will utilize not only information provided by SIE, but also data from Telered, composed of TC, Telecentro, SiTV and Gamavision, which have organized their own information network, with the support of Filanbanco. This is the reason for the confusion caused by the information in HOY's edition yesterday [14 May].

The simulation that was reported referred only to the work performed by SIE.

Option 96

The SIE, which has adopted the name Option 96, will supply results based on polls conducted with voters when they leave the polling places (exit polls), and the projection of results obtained after 1700 hours in various polling places, previously selected by a technique of layered statistical sampling, that will cover the country's 21 provinces.

To achieve greater security in processing the information, the poll takers (exit polls, prior to 1700 hours), and data collectors (projections, after 1700 hours), have been trained by experts from the firm Emerinfo, which is in charge of organizing the entire process.

Each poll taker and data collector will have the materials necessary to perform his task and will employ a series of codes to protect the confidentiality of the information.

The Media

The national coordinator of SIE, Fernando Bucheli, has explained that the dailies HOY and EL COMERCIO will coordinate the collection of information from polling places in the provinces of Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua, Chimborazo, Bolivar, Sucumbios, Napo and Esmeraldas.

Teleamazonas is responsible for information from the city of Quito.

The daily EL MERCURIO of Cuenca will be responsible for information from the provinces of Azuay, Canar and Morona.

Radio Centinela del Sur of Loja will gather information in Loja and Zamora.

EL UNIVERSO of Guayaquil will collect information in the province of Guayas, except for Guayaquil, which Equavisa will be responsible for.

EL DIARIO of Portoviejo will be responsible for all of the electoral information from Manabi province.

EL CLARIN of Babahoyo has the province of Los Rios as its responsibility.

EL NACIONAL of Machala will collect information in El Oro.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ecuador: Nonviolent Campaign Called 'Step Forward'

96SM0301C Quito EL COMERCIO in Spanish 13 May 96

[Article by Francisco Salazar Alvarado: "It Is Everyone's Responsibility"; received via Internet]

[Text] (Opinion) These last six days prior to the one designated by law to carry out the election must be of serene meditation and meaning for citizens. We live in a democracy — although weak and sickly — a system in which we can express opinions freely, and elect our representatives and leaders, among those who seem most able to serve our international interests.

Voting is an act of responsibility for everyone. A decision in favor of an individual should not be motivated by any negative criteria. Unfortunately, since 1979, the year in which we began this latest historical phase, after nine de facto governments, I believe that not one reached office with the massive support of the electorate.

The very system of a second round of elections, instead of strengthening the winner, weakens him, because in order to achieve the legally required majority, the winner must look for arrangements and deals with minority groups, who seek only to satisfy the personal interests of their members.

These 1996 elections have been planned as a test of what is called political independentism. It was a reaction against a certain party system, not at all ideological but mercantilist, that sought the highest bidder for the buying and selling of elected offices.

There has been a step forward in this campaign. We have not encountered violence as the accompaniment to the presentation of a name or a list. Counterdemonstrations have been banned. In political language, we have heard almost no insulting attacks. Candidates for all positions have been able to make known their wants and present their plans and programs in greater or lesser detail.

It is true that electoral advertising in the media has been unequal. A way to regulate this will have to be found. The exhibition of ideas, programs and persons is indispensable, and, in the absence of ideological or political education among citizens, pamphlets, newspapers, radio or television are valid platforms to reach the electorate.

The entire country knows who the candidates are by now, especially for the presidency, and we must give our vote conscientiously to the person we consider most able, who is better prepared and who possesses the most knowledge of the Ecuadoran reality. We cannot vote for someone who improvises nor for the best looking. Unreasoned sympathies or antipathies should not prevail. We must vote for the person who guarantees us a realistic, serious and coherent program which provides a solution for the nation's problems.

There are candidates with broad support among voters and others, respectable all of them, that have no real chance. Our vote, more than out of obligation, must be given in conscience as citizens with a responsibility for the future of the country.

Paraguay

Paraguay: Commentary on Trade Barriers Within Mercosur

PY1505015396 Asuncion NOTICIAS in Spanish 11 May 96 p 18

[Commentary: "Brazilian Trade Barriers Within Mercosur"]

[FBIS Translated Text] Paraguay and Uruguay are taking a common stand on a concrete problem within Mercosur [Common Market of the South]. The problem was provoked by the Brazilian decision to lift barriers on imports of textiles within the region. The Uruguayans took the initiative to condition their future actions within the pact to a review of the Brazilian decision. It was known that the move had our support.

The Brazilian Foreign Trade Commission restricted the financing periods on textiles and clothing imports even on products from its partners within Mercosur. The official reaction came from Uruguay, which is seriously affected by the measure, but the restriction will also create problems for our own clothing industry which has recently started trading in the Brazilian market. The Industrial Clothing Association understood the problem and made a public announcement against the Brazilian restriction, a non-tariff barrier which violates the Asuncion Treaty. This trade association bluntly stated that the implementation of such barriers wipes out all our clothing export possibilities in Brazil.

The Uruguayan reaction is exemplary, from President Luis Maria Sanguinetti's direct efforts with his Brazilian counterpart Fernando Henrique Cardoso to the government refusal to sign any regional pact resolution or agreement in the immediate agenda for as long as the restrictive measure is maintained. This decision would force a postponement of the agreement between Mercosur and Chile scheduled for next month and the negotiations with Bolivia and Venezuela, two countries that also seek some type of association with the regional bloc. The hardness of the reaction is legitimate;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Brazilian attitude, besides being disloyal to its partners, weakens the pact.

Our country has taken a more discreet position, but our support for Uruguay is important and it constitutes the manifestation of a sensible policy within Mercosur. It is obvious that the two countries' interests are common. They are at least similar compared to the other two partners, which are more industrialized. The Uruguayan foreign minister visited our country recently, precisely to articulate common positions. The decisions by the two Foreign Ministries were not made official, but we must suppose that they have taken the correct steps to unify their intra-Mercosur policies.

Now Brazil is trampling on the integrationist spirit that must prevail in the group. Before that, it was Argentina which raised equally inadmissible barriers to block the entry of Paraguayan products. Similar situations may reoccur, particularly because of the collision of two very different realities. Brazil and Argentina have more developed industries and will try to develop them even more by creating captive markets. Uruguay and Paraguay will benefit from the broadened market, but must not lose all contacts with the rest of the world and end up almost exclusively dependent on what their two larger partners can offer.

Common initiatives must be used by the two countries to pressure their partners and thus prevent their interests from being left aside.

Paraguay: Wasmosy Criticizes Congress at Meeting With Military

PY1405184696 Asuncion ABC COLOR in Spanish 14 May 96 p 5

[FBIS Translated Text] Paraguayan President Juan Carlos Wasmosy harshly criticized Congress at a meeting he held with Army officers at the headquarters of the Cavalry Regiment on 9 May. According to a recording that was aired on 13 May, he accused the lawmakers of trying to destroy the Armed Forces and of doing nothing for the nation. He called them wicked, ignorant, inept, offensive, and populist people. He also blamed them for the delay in the reform of the state. Wasmosy stated that as long as he is president, the military could feel safe. He added that no general will be put in the dock in Congress.

The recording of the speech that Wasmosy made at that confidential meeting was leaked on 13 May. Initial reports had indicated that it was the first meeting the president held with Army commanders to "calm down the Cavalry" after the political-military crisis the country went through 22-26 April, leading to General Lino Cesar Oviedo's relief and retirement.

In view of the tone and the content of Wasmosy's charges, we will transcribe textually portions of the recording that electronic news media aired on 13 May:

"No general will be put in the dock in this populist Congress that wants to destroy the Armed Forces. So far, I remain undefeated, gentlemen....

"They (the lawmakers) earn much more than a general, yet they are offending people, and doing nothing for this country, gentlemen. The irresponsibility, lack of experience, wickedness, ineptness and ignorance of all those people has been the only obstacle for the reform the state, to upgrade it to the level required by regional integration.

"For as long as I am in power, you are safe, gentlemen. But we must get ready for the future. We do not know who will take over. Let us hope that he is of the same frame of mind, but if all of you are united, share the same beliefs and objectives, then nobody will touch you....

"...because it is very fashionable nowadays to criticize the military, to talk about demilitarization, but when things get tough, all the people, even that coward...(?) leave, on the advice of those who always remain backstage, who want the police, the minister, the president, or the Army, to do something, but when the time comes to create the four-star category, something that they have promised to do, then...(?) Now there is no reason at all for them not to fulfill political agreements."

The context in which the president leveled these charges cannot be established. Some of his utterances are too vague and carry question marks in the transcript. The recording does indicate, however, that the president's harangue was vehement.

Paraguay: Military Chiefs Seek Rapprochement With Civilians

PY1405173896 Asuncion NOTICIAS in Spanish 14 May 96 p 4

[FBIS Translated Text] High-ranking military officers, who attended a dinner aimed at fostering civilian-military rapprochement on 13 May, called upon the entire community to help the country get going. Navy Commander Vice Admiral Guillermo Lopez Moreira and Air Force Commander General Cesar Cramer made the call, adding that relations with the civilian society are a continuing process. The generals requested more rapprochement among the various components of Paraguayan society.

"We cannot keep ourselves removed from civilian society," Air Force Commander Gen. Cramer answered

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

upon being asked about the new phase in civilian-military relations.

He added that joint efforts are needed to get the country going, as all honest citizens want. Cramer indicated that he personally never believed in keeping civilians and military apart, "and this unity is something that all Paraguayans must work for."

The Air Force commander stated: "We must get closer, there must be a way to do it, because we are all Paraguayans, and we must all help build the country we want."

As far as the attitude of General Lino Cesar Oviedo, retired, is concerned, Gen. Cramer said that the Armed Forces should not be judged by the behavior of a single man.

"I believe that we should not mistake institutions for people. The Armed Forces and the problems they may have are one thing, and the personal attitude of some of their members is something else," he concluded.

Navy Commander Vice Admiral Guillermo Lopez Moreira explained that this is not the first time the military, particularly the Navy, have reached out to other social sectors. "The Navy already has a relationship with the civilian society," Lopez Moreira underscored.

On the subject of certain military personnel who refuse to bow to civilian rule, the Navy commander said that there is a process under way to overcome certain problems rooted in the past.

Lopez Moreira said: "It must be acknowledged that the military have been attacked, offended, by civilians, and I believe that if one wants to make changes, it can be done without resorting to that kind of language."

He emphasized, however, that only a few civilians still feel rejection for the military, just as there are only a few military personnel who do not like the civilians.

He concluded by saying that the Armed Forces will always seek rapprochement with civilian society because, except for the uniform, they are no different than the rest of the people.

Peru

Peru: MOMEP Says Situation at Border Region 'Calm'

PY1605013996 Lima GESTION in Spanish 15 May 96 p 2

[FBIS Translated Excerpt] A new round of sessions of the Superior Consultative Committee of the Ecuador-Peru Military Observers Mission, MOMEP, has concluded in Lima with the signing of an act by the MOMEP representatives and liaison officers of Ecuador and Peru. The act says that the situation at the border region "remains calm and without new developments." MOMEP will meet again on 3 and 4 June.

One of the agreements reached is the meeting to be held in the Patuca Ecuadoran military base by the chiefs of the border detachments, intelligence directors of the border regions, and the liaison officers before MOMEP.

Peru will be represented by General Luis Perez Documet, chief of the Sixth Military Region with headquarters in Bagua; Commander Eduardo Michelli, intelligence director of the Border Region; and General Daniel Mon Zevallos, Peruvian liaison officer.

It was also reported that the Superior Consultative Committee will meet again on 3 and 4 June.

A ceremony will be held to say farewell to the MOMEP coordinator, Brazilian General Roberto Francisco Albuquerque, who is leaving after heading the mission for six months. He will be replaced by Brazilian General Licinio Nunes de Miranda Filho, whose official presentation before Peruvian General Nicolas de Bari Hermoza Rios, chairman of the Peruvian Armed Forces Joint Command, will be held on 5 June. [passage omitted]

Peru: Airline Official Says Argentine Weapons Sent to Ecuador

PY1605004096 Madrid EFE in Spanish 0220 GMT 15 May 96

[FBIS Translated Text] Lima, 14 May (EFE) — Peruvian businessman Jaime Prieto said today in the Peruvian Congress that the U.S. Fine Air airline made an air bridge from Buenos Aires to Guayaquil to carry the Argentine weapons bought by Ecuador in the midst of the Ecuadoran-Peruvian war in 1995.

Prieto, who is the general manager of the Peruvian Export Air airline, former partner of Fine Air, told congressmen that the operation was discovered in January 1995 in Miami by one of his pilots, Emilio Carrillo, who reported the operation immediately.

Prieto said that Carrillo was in Miami taking a pilot-training course.

The U.S. airline sent from its center of operations in Miami, two DC-8's to Buenos Aires to transport the weapons and ammunition to Guayaquil.

Prieto said: "Once the operation in Ezeiza (Buenos Aires Airport) was discovered, we contacted the high command of the Peruvian Air Force to convey the information gathered by Carrillo."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Carrillo recently said that "it was impossible for Argentine officials not to know about the operation with Ecuador because the airplanes flew with a flight plan authorized in Buenos Aires."

He also said that Fine Air "knew quite well" that it was taking Argentine weapons and that the weapons were brought to Ezeiza airport in military airplanes.

Congressman Javier Velit, president of the Supervision Committee, confirmed that Fine Air has sued Peru in Miami because its license to fly to Peru was canceled for participating in the illegal sale of weapons.

Velit said the Peruvian Government has authorized Transportation Minister Elsa Carrera to contract a team of U.S. lawyers to defend Peru in this legal litigation.

Jaime Prieto appeared today before the Supervision Committee to clarify the possible use of illegal influence of Peruvian Second Vice President Cesar Paredes to get the government to grant a license operation to Export Air.

Prieto, who confirmed that he asked Paredes to help in expediting the procedures for getting the license "always within the law," said that none of the permits related to this case were granted to his company.

Prieto also confirmed that Paredes sent a letter to the then Transportation and Communications Minister Manuel Vara asking for a "solution" to the request made by Export Air, "but without exerting pressure in our favor."

The Peruvian press reported today that Fine Air circumvented the Peruvian prohibition by sending merchandise from Miami through two airlines, the Colombian ATC and the Venezuelan Midas, which were apparently created by the U.S. Fine Air.

Peru: Congress President Carries Fujimori Letter to Menem

PY1505172896 Madrid EFE in Spanish 2014 GMT 14 May 96

[FBIS Translated Excerpt] Lima, 14 May (EFE) — Martha Chavez, president of the Peruvian Congress, today traveled to Buenos Aires to meet with Argentine President Carlos Menem, to whom she will deliver a letter from Peruvian President Alberto Fujimori regarding the trafficking of Argentine weapons to Ecuador during the Cenepa war in 1995.

Chavez left at 1345 (1845 GMT) from the military air base Group No. 8 in Lima and is scheduled to return on 16 May. Martha Chavez will meet with President Carlos Menem on 15 May at 1000, Argentine time, at Government House.

In statements to the media, Chavez said that the delivery of Fujimori's letter to President Menem does not represent any form of pressure on the Argentine Government regarding the investigations it is carrying out concerning trafficking of weapons to Ecuador. [passage omitted]

Peru: Government Expresses Confidence in Menem's Intentions

PY1505174996 Madrid EFE in Spanish 0108 GMT 15 May 96

[FBIS Translated Excerpt] Lima, 14 May (EFE) — The Peruvian Government has full confidence in Argentine President Carlos Menem's desire to investigate and clarify the alleged sale of weapons by Argentina to Ecuador during the war that country waged with Peru in 1995.

This was asserted today by Alberto Pandolfi, chairman of the Council of Ministers, and Foreign Minister Francisco Tudela, who explained that Peru does not plan to ask the Argentine Government for compensation or reparation.

Menem's promise "gives us confidence in the future, because it will allow us to determine and identify those responsible for this affair," Tudela said.

Moreover, Pandolfi said that Peruvian President Alberto Fujimori "has full confidence" in his Argentine counterpart and his desire to investigate the case.

Tudela, however, said that the sale of Argentine weapons to Ecuador has "morally" affected Peru, primarily because Argentina is one of the guarantor countries of the peace process in which the two Andean countries are engaged. [passage omitted]

Peru: Air Force Confirms Discovery of Cocaine in Plane

PY1505175096 Lima EXPRESO in Spanish 13 May 96 p A12

[FBIS Translated Text] Yesterday the Peruvian Air Force [FAP] issued a second communique referring to the discovery of cocaine in one of its aircraft. The communique states that the exact quantity of drugs discovered amounts to 174.22 kg.

Official Communique No. 002-96-FAP

The FAP Information Directorate hereby informs the public that, regarding official communique No. 001-96-FAP, dated 11 May 1996, related to the discovery of drugs in a FAP aircraft, the Peruvian National Police — National Antidrug Directorate [Dinandro] — in the presence of Callao District Prosecutor Pilar Castillo

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Soltero, conducted tests at the site and found the substance to be cocaine, with an approximate gross weight of 174.22 kg. This is in accordance with what is stated in report No. 1105-96-Dinandro-Sec, dated 11 May 1996.

Peru: Fujimori on Sanctions for Military Traffickers

PY1505150496 Madrid EFE in Spanish 1659 GMT 13 May 96

[FBIS Translated Text] Lima, 13 May (EFE) — Today Peruvian President Alberto Fujimori announced that "the full force of the law" will be applied against the 10 military officers arrested on 10 May during a drug enforcement operation that resulted in the confiscation of 174 kg of cocaine found concealed in an Air Force aircraft.

Among the arrested are a commander, a captain, and eight noncommissioned officers of the Peruvian Air Force [FAP], who were immediately dismissed by the institution and placed at the disposal of a civilian court.

The drug, with an estimated value of $7 million, was concealed inside briefcases and the fuselage of the FAP aircraft, bound for Europe with a stopover in the United States.

On 12 May, Fujimori told a Peruvian television network that the confiscation of the drug proves there are drug traffickers trying to infiltrate the Peruvian military institutions.

Fujimori said: "The seizure of 174 kg of cocaine hydrochloride is positive. The negative aspect would have been the departure of the drugs for Europe and the discovery of the shipment by European authorities."

He added: "I do not care who is involved, whether they be officers, even generals. Whoever is responsible for this crime will be punished with the full force of the law and there will be no lenient treatment."

The operation took place on 10 May at Air Base No. 8, where the aircraft transporting the cocaine from Huallaga, where 60 percent of all the cocaine in the world is produced, landed.

The 10 military officers arrested are in an incommunicado status and are being interrogated at the Police Antinarcotics National Directorate.

On 24 April the Peruvian Government promulgated the antinarcotics law in which it declared an offensive against drug trafficking and decreed a state of emergency in all coca growing areas of the country.

Peru: Sixty Percent Approve of Fujimori's Performance

PY1505033496 Lima EXPRESO in Spanish 13 May 96 p A2

[FBIS Translated Text] According to a poll conducted by the company Analistas y Consultores, 60 percent of the polled people approve of President Alberto Fujimori's administration and 30 percent disapprove. Moreover, 75.1 percent approve of the performance of the mayor of Lima and 13.7 percent disapprove. As for Economy Minister Jorge Camet, 41.8 percent approve of his performance and 31.5 percent disapprove.

Regarding a possible new chief of state for the year 2000, Luis Castaneda Lossio enjoys the support of 24.3 percent followed by Lima Mayor Alberto Andrade with 24 percent; Alberto Fujimori 23.8 percent; and Jaime Yoshiyama 7.5 percent; while 20.5 percent chose not to voice an opinion.

Bernardo Verjorvsky, managing director of the polling company, during the television program "Contrapunto" disclosed that the poll was conducted on 4-7 May in Lima and that it included men and women over the age of 18 who were registered to vote. The error margin is 4.9 percent.

According to Analistas y Consultores, during the past 90 days President Fujimori's administration experienced a 15-percent drop in popularity while Andrade's popularity dropped by 5 percent since last month.

Among the institutions that enjoy the people's support are the Catholic Church with 77.3 percent; Sunat [National Tax Administration Superintendency] 74.5 percent; and the Armed Forces 60.5 percent.

Venezuela

Venezuela: Minister Comments on University Disturbances

PA1605040896 Caracas Venezolana de Television Network in Spanish 0230 GMT 16 May 96

[Report by Fernando Porte; from "The News" newscast]

[FBIS Translated Text] In the face of repeated disturbances at universities, Interior Minister Jose Guillermo Andueza has called upon university authorities to take action in order to eradicate the hooded student protesters.

According to the interior minister, the problems with student disturbances, whether at a high school or at the Central University of Venezuela [UCV], are situations that high school or university authorities must resolve.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin Andueza recording] I ask university authorities to take action, because Venezuelans feel that strong measures are in order. If no measures are taken, we will have to adopt other measures.

University rectors are saying that they will make the decisions to prevent the actions of the protesters, but in practice they are not doing anything. [end recording]

The interior minister explained that university autonomy must be carefully studied, because there cannot be autonomy for those who hide after burning private and public property. He made it clear, nevertheless, that the government has not suggested that government authorities raid the UCV.

The interior minister added that, although student protesters disrupt daily activities in the capital, no special cabinet council meeting has been scheduled to study the matter.

Venezuela: Congressmen React to Report on Corruption

PA1305230196 Caracas EL UNIVERSAL in Spanish 10 May 96 p 1-12

[FBIS Translated Text] Caracas — The annual report by Comptroller General Eduardo Roche Lander prompted support from opposition political parties and rejection from the ruling parties. Congress President Cristobal Fernandez Dalo described it as "interesting," but refrained from commenting on the increased number of complaints of administrative irregularities submitted to the comptroller general until he can analyze the report.

"The speech mentions interesting things that must be discussed, but its large volume must be analyzed in calm."

Simon Garcia, minister in charge of relations with Congress, highlighted Roche Lander's personal and professional virtues but felt he must go from the general to specific details.

"One must not view the report with an alarmist attitude but with the interest of finding efficient mechanisms to stamp out corruption and improve the state's administrative efficiency," he said.

Convergence National Coordinator Juan Jose Caladera disputed Roche Lander's watchdog functions and described as "political" the technical report by the comptrolling entity.

He added: "What are the comptroller general and the Comptroller General's Office doing to prevent these irregularities, considering this is their duty? The country is tired of this type of vague and ambiguous remarks that have a clear political taint and seem to be politically motivated, adversely affecting the national interests."

MAS [Movement Toward Socialism] President Gustavo Marquez stated that a "political bias" is initially observed. He added this is "intended to make people believe that corruption in this administration has increased, when this phenomenon has been increasing for more than 20 years."

Nelson Chitti La Roche, chief of the Copei [Social Christian Party] legislative wing, said that the report of Comptroller Roche Lander "is a signal" that must be heeded and must draw the country's attention.

He affirmed: "We have made in these two years, including President Caldera himself, many speeches on the struggle against corruption, but internally things remain unchanged or become worse. Thus, the government and political class will lose their legitimacy if we are unable to break the backbone of corruption."

Luis Carlos Serra Carmona (AD) [Democratic Action] and Roy Daza (Radical Cause Party), members of the Legislative Comptrollership Commission, agreed with the statements by Comptroller Roche Lander.

"The report is fair and correct because the process of corruption is expanding," Daza warned.

Serra Carmona expressed his concern because the comptroller general's report shows "that corruption has worsened. [no closing quotation marks as published]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.